Sustainable Models for Shared Culture

Case Studies and Policy Issues

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Sustainable Models for Shared Culture. Case Studies and Policy Issues

Supporting experiences, collecting challenges, sharing skills and building sustainable models for the cultural sector in the digital era

A policy briefing proposal written by:

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In order to move forward together and identify the points that can unite us and help us to overcome previous conflicts and limitations, we have also discussed the contents and ideas contained in this document with organizations and think tanks that, despite not agreeing or supporting the totality of the ideas and proposals put forward, have nonetheless helped us by corroborating our arguments, suggesting a series of changes and improvements that we have introduced in the following work. They include AEC Music, Culture Action Europe, ELIA, FERA, Le MOTif, Pearl Live Performance Europe, and The European Writers Council. Their feedback is much appreciated.

1. Introduction

We are in the midst of a revolution in the way that knowledge and culture are created, accessed and transformed. Citizens, artists and consumers are no longer powerless and isolated at the hands of content production and distribution industries: now individuals across many different spheres can and do collaborate, participate and decide in a direct and democratic way.

Digital technology has bridged the gap, allowing ideas and knowledge to flow. It has done away with many of the geographic and technological barriers to sharing. It has provided new educational tools and brought about new possibilities for the creation of more democratic and economic and political organisations.

The following report, that draws from and constitutes a continuation of previous documents drafted by the FCForum (most notably the 'Charter for Innovation, Creativity and Access to Knowledge' and 'Sustainable Models for Creativity in the Digital Age'), will argue that in spite of these transformations, the entertainment industry, most communications service providers, governments and international bodies are still attempting to seize power and turn a profit by controlling the tools and distribution channels of what is generally referred to as "content". They defend this approach by claiming that it is the only possible model through which a digital society can approach culture. But it actually restricts citizens' rights to education, access to information,

culture, science and technology, to freedom of expression, the inviolability of communications and privacy, and freedom to share. The rise of Free Culture has helped to bridge this gap between society's needs, the ways in which we consume culture, and the need to generate revenue streams for content creators. Most importantly Free Culture has shown that there are professional, sustainable ways of working in cultural production that go beyond traditional cultural industry models based on restricting access and creating an artificial scarcity of products[1].

After an initial phase in which free/libre culture emerged[2], grew and spread, we are now faced with an urgent need to re-think and transform the existing economic frameworks that govern the way culture is produced, financed and funded culture. As many previous reports have argued, most notably 'Sustainable Models for Creativity in the Digital Age[3]', the traditional models that have been crucial for the creative industries no longer work in this rapidly changing environment. They have become unsustainable and detrimental to civil society. We now need to define and promote innovative strategies that make cultural practices sustainable and empower the wealth of society in general[4].

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[1] This has been explored fully and demonstrated in a previous document written by the FCForum. We are specifically referring to the definition of what professional cultural work entails. 'Sustainable Models for Creativity in the Digital Age' http://fcforum.net/sustainable-models-for-creativity

[2] We use the expression "Free Culture" taking the cue from the Free Software movement. In previous documents we have clarified the use of the concept: "Free culture (free as in "Freedom", not as "for Free") opens up the possibility of new models for citizen engagement in the provision of public goods and services" see 'Charter for Innovation, Creativity and Access to Knowledge', http://fcforum.net/en/charter

[3] http://fcforum.net/sustainable-models-for-creativity

[4] There are many recent reports on the economic and social benefits of openness, most notably 'C. J. Angelopoulos (ed.), Open Content Licensing From Theory to Practice, Amsterdam: Amsterdam University Press, 2011, p. 169-202.' http://www.ivir.nl/publications/eechoud/VanEechoud_FriendorFoes_OpenContentLicensing.pdf

In the following document we raise and address several issues, such as: How should culture and knowledge be produced in the digital age? How can the time and resources required to create them be made available in the current context? How should we manage and provide access to value that is generated collectively? What is the role of public institutions in this new paradigm? In order to explore possible answers to these questions, we will examine several kinds of practices, projects and business models.

Cultural production should not be considered to be synonymous with generating profits, and new sustainable economic models should not be detrimental to the free circulation of knowledge. The real challenge lies in grasping that it is possible for culture to exist independently of markets for cultural commodities, even though it is also possible to generate income from such culture. Safeguarding the productive force that makes culture possible should not be used as an excuse to restrict the making of culture. Rather, it should be recognised as the fundamental linchpin of our rights as producers and consumers of culture.

As civil society we need to defend and expand the sphere in which human creativity and knowledge can prosper freely and sustainably. We must do this without losing sight of attempts from different quarters to privatise the Net, of threats to Net neutrality, and of the need to demand more transparency in the way public institutions manage our data. Some authors argue that the war on copyright is just the beta version of a bigger battle[5]. New control systems to monitor activities on our computers and the ways in which we use them are being implemented. Attacks on civil society under the guise of copyright protection are only the first strikes in a battle designed to deprive civil society of

[5] http://www.youtube.com/watch?v=HUEvRyemKSg

a tool that has changed the history of humanity by enabling the right to define democratic forms of organization and new cultural and economic forms of development. The alarm and fear around cybercrime, for example, is deliberately being mixed up with the legitimate right to access culture and to exchange content among peers. All of these phenomena need to be addressed.

The Free Culture movement has been a pioneer in efforts to empower civil society in this regard. By “Free Culture”, we mean a type of culture in which everyone can freely participate as consumer and as producer, a culture that recognizes that sharing is an integral part of how culture is used and how it is produced. Free Culture balances producers’ rights to be recognized for their contributions with society’s rights to use cultural works freely. Based on this, we need to develop and implement new models of financing, entrepreneurship, memory institutions and Free Culture spaces, and many of these are already gradually emerging. But we can only consider the idea of Free Culture in the context of a bigger, more general movement to promote transparency and truly democratic institutions.

The rise of Free Culture goes hand in hand with the empowerment of civil society, providing the tools and inspiration for direct democracy initiatives. The Free Culture Movement has also created new ways to access information, and more informed and connected citizens who are better prepared to monitor governments and corporations. Transparency, access to public data and freedom of information, – which governments have always tried to hinder – are the prerequisites for any democracy worthy of the name, and they are now gaining ground thanks to the efforts of self-organised citizens on the Net.

As the range of information that citizens can obtain from governments and companies increases, so does society's ability to ensure that democratic processes are in place.

The arrival of the Net has enabled citizens to access culture and information without the need for the many levels of intermediaries that used to be inevitable. This in turn has enabled new forms of social and political organization and led to more democratic forms of participation, many of which are still being developed, such as digital voting systems and electronic currency. Protecting Free Culture and Net neutrality means protecting new forms democracy. Society now has the opportunity to achieve greater control over its institutions and to participate in their development, meaning that institutions can now serve citizens rather than the other way round. For all of these reasons, civil society needs to fight against the repressive approach and the mutilation of the Net, and to replace them with a Positive Digital Agenda that favours democratic renewal appropriate to the times.

At the same time, the fact that traditional business models are no longer working favours the emergence of new business structures that can bring about innovative ways of helping communities to develop and produce culture sustainably, without having to restrict access or endanger common cultural heritage. These new businesses apear in situations in which cultural goods are facing market failure, for example. They can also come up with ways to produce cultural projects that are not being publicly funded, in cases where copyright on its own will not guarantee the sustainability of a project. These cases are at the heart of this document. Our aim is not to offer an exhaustive overview of all the different cultural practices that are currently in progress, since most areas have already been studied in a previous work (see 'Sustainable Models for Creativity in the Digital Age' http://fcforum.net/sustainable-models-for-creativity).

Instead, this text continues our investigation by focusing on specific case studies that can help us to understand the particularities of the problems facing new cultural entrepreneurship. Nonetheless, most of the characteristics that we describe will also be applicable to other fields, given that the business models are quite similar and based on similar principles. This approach will help us to highlight the complexity and challenges that arise from free culture entrepreneurship.

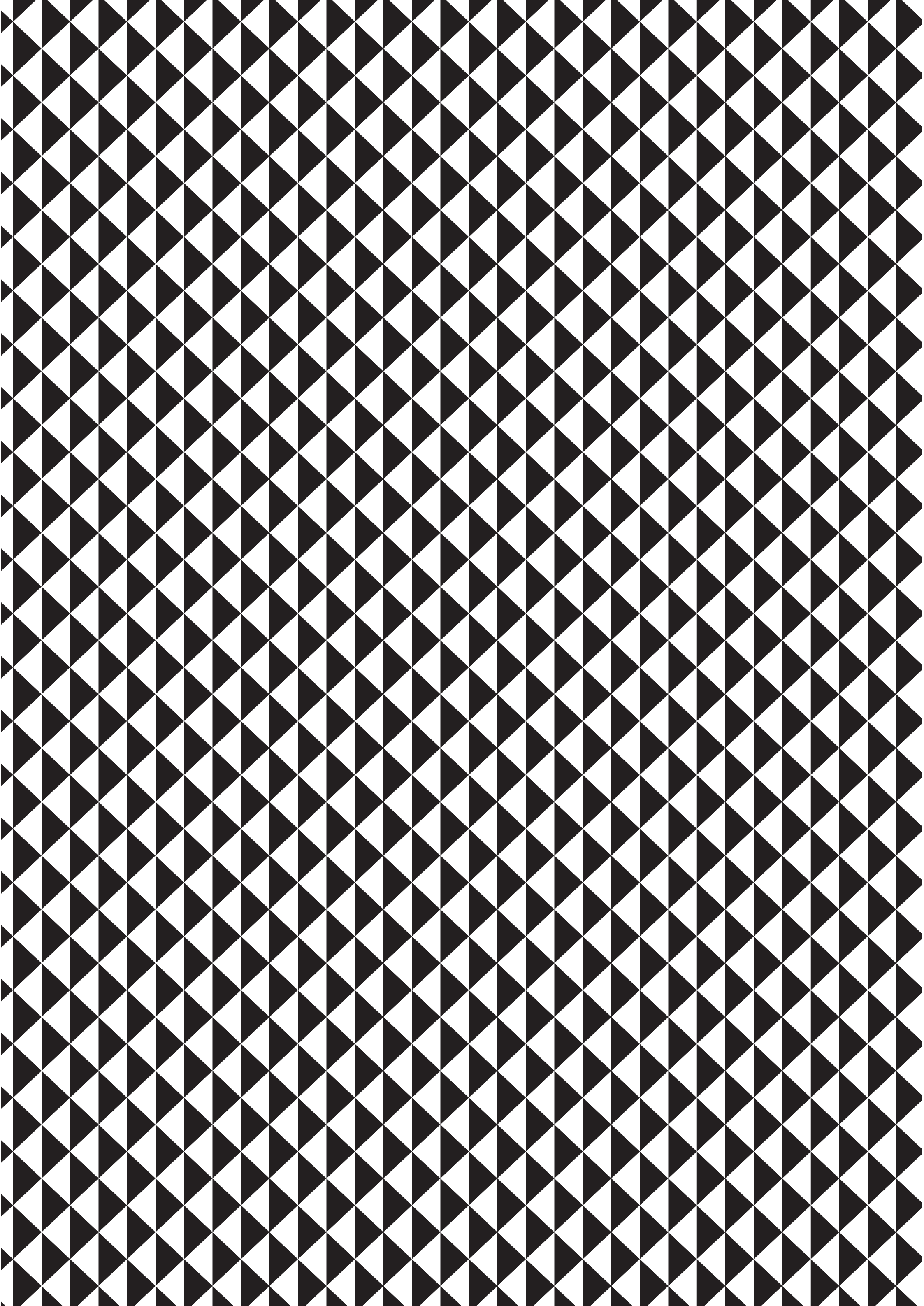
Even though this dynamic can offer interesting alternatives to the existing, no longer successful model, the right conditions still need to be created in order to allow them grow and find their place. In this sense, it is important to implement policies that ensure that the existing frameworks don't interfere with the development of what we will describe as "Free Culture entrepreneurs". At present, there is a conservative tendency in most of the larger copyright lobbies and major IT and cultural industries lobbies which are attempting to influence this scenario in their own interests, and Collective Rights Management Organizations (CMOs) are also a major obstacle to the development of this new business sphere. This document will outline policy recommendations designed to ensure the sustainability and prosperity of this growing sector.

The situation that we are describing here differs from previous generations of creative businesses in the sense that, as we will see, these new models all have a mixed bottom-line in which social, cultural, political and economic values co-exist. This document also looks at physical spaces that are crucial in order to promote growth and enable local communities and business to interact. This close relationship between communities, creative individuals and entrepreneurs will bring about and nurture new funding schemes and innovative business models.

Crowdfunding is the best-known model based on the interaction between enterprises and communities, and as such we will look at the possibilities, problems and challenges that crowdfunding entails.

We will also discuss the relationship between Free Culture and public memory institutions. Museums, archives, documentation and media centres, and similar organisations are rethinking their models in an attempt to find sustainable ways to allow users to access content. New institutional arrangements will emerge when institutions make their content public, and new business opportunities will arise when databases and archives are digitised and made accessible. We need to ensure that public assets remain public.

Traditional business models had to develop monopolies and economies of scale in order to survive. These were artificially sustained by regulations and intellectual property legislation, designed to make abundance scarce. These monopolies interfere with and hinder the appearance of new players, who are willing to engage with cultural production in innovative ways that take abundance for granted. We need to design policies and frameworks that ensure the development of free culture, as it will certainly play a crucial role in the present and future of the economy of culture.



2. Methodology

This section sets out the steps required to examine the main hypothesis of this report, i.e. the extent to which cultural production can exist and be sustained through and by ways of organizing production that do not rely on conventional markets or closed intellectual property regimes. In cases where the market does come into play, it is not considered in the sense of a place where cultural production is sold, but rather as a place where services or other goods related to intellectual creation are traded. This nuance is of particular relevance to our work, because it challenges one of the fundamental assumptions of the current copyright system, i.e. that copyright is the incentive that leads authors to create, and that, as such, the implementation of copyright legislation together with the functioning of the market is what ensures the supply of creative works, both to end users and to user-creators, in other words, users who will further re-use the original work.

In order to assess these new ways of organising creative activity, we need to define a series of indicators that allow us to assess a number of case studies and to draw a series of conclusions with regards to their value-production models, particularly in relation to Intellectual Property Rights. We thus need to trace the flow of rights and content from creator to audience. This will allow us to determine the degree to which these flows are facilitated by legal, technical or organisational arrangements, and to define what said arrangements are.

More specifically:

▶ (a) We have selected a series of case studies that can be used to explore different types of creative activity in the following areas:

> Free Culture Entrepreneurs

> Crowdfunding

> Memory Institutions

> Free Culture Spaces

Each of these areas offers us a different perspective on the various aspects of creative production that could take place irrespective of or parallel to a traditional market based on Intellectual Property Rights. The sections on Free Culture Entrepreneurs and Crowdfunding illustrate two examples of value-production and monetary compensation for the production of creative works, whereas the sections on Memory Institutions and Free Culture Spaces focus on the locus and the principles within which creative production takes place.

These case studies have mainly been drawn from Spain, Austria, the United Kingdom, the Netherlands and Greece, plus some examples from other EU countries.

▶ (b) Each of the case studies is structured according to the following indicators:

> A brief description of the project outlining the context within which it is presented

> A list of the main fields of activity for each of the organisations, including what is produced in each case.

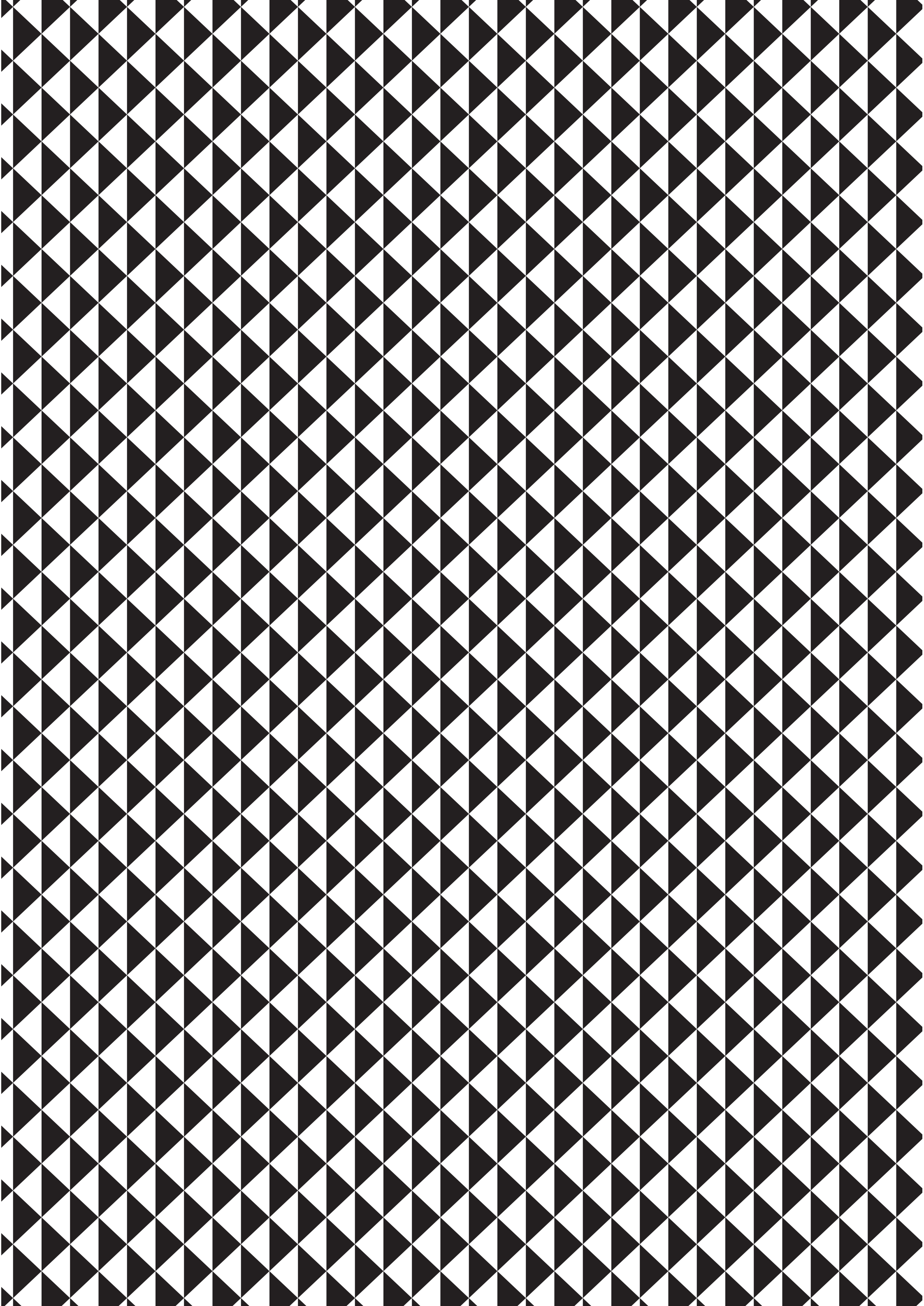
> A list of the key value channels and types of value produced by these organisations, classifying different types of values as a basis from which to explore value production and the way licences operate.

> In each case study, these values and outputs are examined alongside the types of IPRs that are produced and exploited by the organisation, and the relative importance of licensing for each specific organisation.

> The study then looks at the future plans of each organisation in order to determine how they view their position with regard to their existing production output, IPR exploitation models, and the value that is finally produced.

▶ (c) Each case study ends with a series of policy recommendations, and these recommendations then feed into the four main categories of organisations, in order to streamline proposed improvements to EU IPR policy. The policy recommendations along with the data for each of the case studies provides a good understanding of the flows of rights and they way in which they are structured so as to produce different types of value.

This report is mainly based on qualitative data but also draws on the broader context in order to explore a range of IP management models. It aims to evaluate possible alternatives to options that currently exist in regard to the protection and dissemination of creative works.



3. Free Culture Entrepreneurs

The emergence of Free Culture and its particular type of entrepreneurs is not an isolated development. It is just one aspect of a profound, multifaceted transformation of many sectors of the economy, including but not limited to the cultural industries. The engine of this transformation, as summed up in a recent report on the “Collaborative Economy”,[1] is the “horizontalisation of productive human relationships that has been enabled through communication networks and in particular the Internet. These productive publics can generate their own practices and institutions through bottom-up dynamics, or they can be mobilized by existing institutions”. The report then goes on to define two main agents of transformation: “One is the emergence of community dynamics as an essential ingredient of doing business. It is no longer a matter of autonomous and separated corporations marketing to essentially isolated consumers, it is now a matter of deeply inter-networked economic actors involved in vocal and productive communities. The second is that the combined effect of digital reproduction and the increasingly 'socialized' production of value, makes the individual and corporate privatization of 'intellectual' property if

[1] Bauwens, M., Mendoza, N. & Iacomella, F., 2012. Synthetic Overview of the Collaborative Economy, P2P Foundation. Available at: http://orange.com/en/news/2012/septembre/when-the-economy-becomes-collaborative

not untenable, then certainly more difficult , and in all likelihood, ultimately unproductive. Hence the combined development of community-oriented and 'open' business models, which rely on more 'social' forms of intellectual property".

These ideas are in line with the trend that a growing body of research has variously called "commons-based peer production", "wikinomics", "prosumerism", "open innovation", "collaborative consumption", "culture of sharing" and "convergence culture". While these concepts are quite heterogeneous and focus on different aspects of this complex transformation, they share a common ground based on a series of similarities: producers and users relate to one another in new ways, and their interaction generates the productive network; commercial and non-commercial actors and actions are no longer separated into distinct domains, but coexist in the creation of financial, social and cultural value; copyright in the traditional sense plays a lesser role in defining these relationships; production and consumption are not viewed as a linear process, but interact in a constant feedback loop.

The network-based structure of Free Culture also extends to the type of entrepreneurs that create it. These range from relatively traditional companies that finance production in such a way as to eventually allow free access to the end product, to specialized actors who provide services to a community, and communities that generate a valuable resource themselves through a combination of certain types of paid and unpaid activities. In the latter case, the entrepreneurial agency does not lie with any one particular actor (even though there is often a "founder" who initially got the project underway) but is distributed throughout the community. This is a radical example of the blurring of the boundaries between users and producers, which is a well-known aspect of Free Software development. In both cases – Free Software

development and community-based Free Culture – the blurring of this boundary does not imply that everyone becomes a producer, but simply that there are no legal or institutional obstacles to move from one role to the other. The choice of which role to occupy in the continuum between professional, full-time producer and relatively passive consumer remains with the individual user. These open boundaries profoundly shape entrepreneurial processes in Free Culture.

Below, we present a series of brief case studies of different types of Free Culture entrepreneurs using the general methodology of this report (see, section 2). The case studies are small sample of Free Culture entrepreneurs which have been chosen because they exemplify the range of different types of entrepreneurs, from companies to communities, yet they all work on all work very closely and respectfully with artists, authors and various intermediaries. They offer a typically "European" approach to cultural diversity, which works within and for niche audiences, rather than trying to achieve market dominance and new monopolies.

3.1 Access / Distribution

Under the condition of abundance in the infinite cultural archive that is the Internet, providing access and organizing distribution have radically changed their meaning. As an entrepreneurial activity, providing access does not just mean ensuring that a certain work is available, it requires producing a larger context in which a certain work becomes visible, intelligible, and thus valuable, both in a cultural and an economic sense. Access and distribution are thus primarily about community-building (or audience-creation) and about organizing attention and appreciation based on the value flows that can be generated. The

classic economic models based on scarcity – where a person wants/needs something that is not available – do not apply here. Online cultural goods are like public assets in nature (non-rival in terms of use and non-exclusive in terms of access), unless artificial restrictions (such as copyright and digital rights management (DRM) technologies) are applied and enforced. In conditions of abundance, the greatest threat to cultural producers is not “piracy” but obscurity.

In a context of abundance, addressing the issue of pricing requires considerable innovation. This is particularly true in the field of culture, given that the value of cultural works is an extremely subjective matter. What one person sees as a great film might be totally boring to another. Or, to put it in more general terms, something that is useful, and thus valuable, information in one context may be of no value at all in only slightly different circumstances. To make matters even more difficult, the value of a cultural work, even its subjective value, can usually only be determined after the fact. This is why cultural works tend to be sold with a preview function even in standard commercial scenarios, and why many Free Culture entrepreneurs experiment with more or less voluntary donation systems that try to capitalize on the affective connection to be artist that comes about from the individual consuming/using some a significant work.

In a scenario of abundance, organizing access is also about filtering and providing guidance. This can be likened to the building of a brand and developing trust based on the criteria that the entrepreneur (be it an individual, a company or a community) uses to select works.

Play.fm, Vienna

Introduction

Play.fm[2] started as non-commercial project in 2004, driven by its founders' love of electronic music and the lack of platforms for live electronic music (DJ sets) on public or private radio stations at the time. In 2008, Play.fm became a company, using public funding provided through Vienna's creative industries support agency, "departure", as part of a funding programme called "new forms of advertising and social media".

Fields of Activity

Play.fm focuses on content selection sourced through the active procurement of DJ sets recorded in clubs, and through recordings of DJ sets, mainly in Vienna. The project works in partnership with many relevant music festivals, which focus on the promotion of artist-created content. These partnerships are entered into for mutual benefit, and no money is involved. As a streaming-on-demand platform as opposed to an Internet radio station, it hosts user and DJ content and thus also serves as a major archive for this music.

2 http://www.play.fm

Value Production

At present, the Play.fm project is well established in its niche and is global in scope. Its website attracts 140,000-180,000 unique visitors per month from 180 countries, and this enables some degree of financing through advertising. Play.fm also earns small commissions when users buy tracks through Amazon's Affiliate program and other online shops such as Beatport. Additionally, mobile apps are sold for 3 Euros, free of advertisements. Five people currently work for Play.fm in system development, content editing, sales and product development. To be sustainable, the project requires a budget of about 200.000 Euros per year.

Play.fm is a very valuable tool for musicians as it helps to promote their most marketable skill: live performance. It also helps them to sell recorded music, although this is usually a relatively minor source of income in this field.

Position in relation to IPR / Licensing

One of the major sources of uncertainty when it comes to planning future development concerns licensing. At the beginning, CMO fees were around 200 Euros per month. However, this came with a contractual obligation to provide track lists, which are very difficult to obtain in this musical genre. But even though Play.fm did provide them to the best of its abilities, there is no evidence that the CMO used these lists to pay out licensing fees to musicians whose tracks where actually played. From the point of view of the CMO, these artists, if they were members of CMOs at all, were mostly too marginal to justify the effort of making any payments. This is highly unjust.

Since then, it is has been extremely difficult for Play.fm to work with the local CMO, LSG – Wahrnehmung von Leistungsschutzrechten GmbH, as they make demands that small organizations can hardly afford to meet. Communication has been extremely difficult and response times are measured in months. This makes it very hard to develop a business in such a fast-moving field.

Since 2009, after the initial license expired, no agreement has been reached on a new one that would be appropriate to the Play.fm service. Play.fm has thus been forced to save potential license fees in a locked bank account since then. At the moment, this comes to several hundred Euros in licensing fees per month, but there is no telling if this is an adequate sum. Additional complications and problems arise when premium service licenses are involved. There is no easy, automatic way to pay out artists, which is what Play.fm would like to do.

For smaller cultural entrepreneurs, the situation of European CMOs is absolutely unmanageable. In practice, this is a significant barrier to entry into these markets. These barriers are privileging large firms that can afford the legal overhead costs that are involved. In the long term, this will favour market concentration of new intermediaries, negatively affecting both cultural diversity and the negotiating capacity of individual artists and smaller producers.

Eurozine, Vienna

Introduction

Eurozine[3] was founded in 1998 as a network of European cultural magazines. It currently consists of 80 partners in 34 countries, publishing in 32 languages. There are two requirements to become eligible as partner: journals must be European and must be published in print. The print requirement is currently under review as early members are moving away from print editions in favour of digital-only formats. The goal of Eurozine is to connect these magazines to one another, to trigger cooperation and translation projects, and to increase the visibility of the magazines, particularly those that are published in less dominant languages.

Fields of activity

The main business activities of Eurozine are managed by a small team of six employees based in Vienna. Besides internal information sharing, which takes place both online and through an annual conference, activities include running an open access online magazine at eurozine.org and serving as a clearing-house for translation and republishing projects inside and outside the network.

3 http://www.eurozine.com

The journal republishes articles that were originally published by its members, which often include translations into English published alongside the original language. It also commissions and publishes English-language reviews of magazines published in other languages, thus allowing large audiences to access summarised content. The journal is very popular, attracting around 200,000 unique visitors each month. Eurozine also provides rights clearance services within the network. The usual policy is that no fees are charged among members. If partners do translations themselves, Eurozine publishes these translations in addition to the English translation and the original version. The general policy is to make everything as freely accessible as possible.

Value Production

Eurozine produces both cultural and economic value. The first mainly revolves around its significant contribution to advancing and promoting cultural diversity across Europe. By translating and providing access to a wide range of resources, Eurozine promotes the flow of culture across language barriers and strengthens voices that have no other place in an increasingly commercialised media sphere. It also provides consultancy and training services for its members, many of whom have an extensive background in print, in order to help them expand their activities online and develop new hybrid publishing models.

Eurozine's annual budget is around €400,00. A bit less than half of this amount comes from public funding (EU, Austrian federal ministry and the City of Vienna) and a similar amount comes from private

foundations. About 5% of the budget comes from annual partner fees. The (limited) revenue generated by selling publishing rights outside of the network is shared with the rights holders.

Position in relation to IPR / Licensing

On a day-to-day level, copyright issues are manageable because the network consists of only a limited number of right holders who are easy to contact due to the ongoing communication between the management team and all members. And since in general they follow a philosophy of allowing free re-publication, licensing issues are usually easily resolved.

Cultural print magazines tend to be relatively conservative publishing ventures. However, there is increasing internal discussion among Eurozine members about copyright issues, and the value of open access publishing models is actively being considered, although with considerable regional and individual differences.

Future plans

There is a growing awareness of the value of open access publishing within the Eurozine network and new hybrid models are being developed that combine not just digital and print, but also paid-for and free access. There is a collective app development project for mobile/tablet access to Eurozine and its partner publications. Development costs, which would be prohibitive for a single magazine, can be shared across the network. The possibility of selling reviews to newspapers is being actively explored.

VODO, London/Berlin

Introduction

VODO[4] is a curated platform which offers a channel through which to promote and distribute new creative works all over the world and enables those who enjoy shared media to make donations to its authors. It brings together creators looking for an effective way to distribute their work with file-sharing sites willing to help promote and disseminate it. VODO was founded in 2009 by Jamie King, who is currently its CEO.

Fields of activity

VODO partners with filmmakers, producers and operators of file-sharing networks to bring films to large audiences. It offers a service that allows viewers to make voluntary donations to the creators. VODO also offers a for-pay service for those who prefer to watch films via streaming. Apart from offering a distribution platform, VODO also contributes to promoting films through the “VODO spotlight” feature, a special section on its website that highlights particularly interesting films. In addition, VODO operates with an internal currency called DO, to allow members of the sharing network to seed the films so that they remain available and to improve download rates. This currency can be used to pay for streams, promotional items and others resources from the VODO website.

[4] http://www.vodo.net

Value Production

VODO's core approach is to release material as widely and as cheaply as possible using peer-to-peer networks (file sharing). Large audiences are monetized through voluntary donations. Most filmmakers provide incentives for donations (such as credits in the next edition, extra soundtracks, etc).

As of April 2013, VODO has released 195 films, which have been shared 17.5 million times in total. The number of people in the sharing network is around 40,000-50,000 at any one time. These are the figures according to the tracker run by VODO itself. Since nothing prevents the films from going through other trackers as well, the effective number of shares is likely to be higher.

The most popular film to date, the sci-fi miniseries Pioneer One has been downloaded more than 3.8 million times, and is currently seeded by more than 8,000 people simultaneously. This guarantees extremely fast download rates around the world. The most popular documentary film, The Yes Men Fix the World has been downloaded more than 700,000 times and is seeded by over 1,200 people. Even the less popular, more specialized films mange to reach global audiences of several hundreds of thousands of viewers, which is many times greater than they would be able to reach through traditional means (film festivals, indie cinemas etc). These numbers do not include audiences reached through TV broadcasts or other licensing deals, as free-to-share is not considered to be the end of the exploitation/valorisation cycle but a way to build up a profile which can then be translated into other opportunities (such as TV licensing deals).

VODO has generated more than 400,000 Euros in donations, which are split as follows: 70% goes to the creators, 20% to the platform, 5% to the Free Film Fund in order to fund future free-to-share films, and 5% is used to cover payment transfer charges. All of this is done through a very small infrastructure using the bit torrent protocol. All in all, VODO needs only three servers and about €500 for infrastructure costs per month.

Position in relation to IPR / Licensing

VODO acquires the right to release films through the file-sharing networks from the creators (or the producers), but does not require the films to be released under a comprehensive free license, such as a Creative Commons license. The rights remain with the creator/producer who can request to have the film removed from the platform at any time. VODO does not require exclusivity and films have been relicensed, for example, for TV broadcasting.

Future Plans

VODO plans to expand its platforms to enable a greater variety of forms of release, ranging from perpetual, global free-to-share releases (which may or may not use a free license), to more targeted release via streaming which might be restricted as to time (for example, as a promotional special for, say, two weeks) or geographical area, given that many films are released in different markets at different times.

A major new development focus is the integration of the download (or streaming), viewing, and paying/donating processes into a single seamless process. At the moment, the fact that watching a film and

making a donation are two separate, independent processes is a hurdle to getting money from the viewers to the creators. As part of this development process, a new payment schedule is being developed that addresses the particular problems of information products, namely that a) value is highly subjective, and b) it can be only assessed after the product has been used.

Taringa Música

Introduction

Taringa Música[5] is a digital platform designed to help musicians promote and distribute their works online. This tool is developed for musicians who want to develop a closer relationship with their audiences and who believe that the models and strategies followed by majors is not in line with the way in which they want to distribute and sell their works. Taringa Música is an off-shoot of Taringa, one of the biggest Latin American online music sites, with more than 72,000,000 unique visits each year. The developers of this project wanted to help connect these audiences with the musicians, creating awareness of their music and new revenue streams and economic models for artists.

Fields of Activity

The main aim of this platform is to promote music and generate revenue for musicians who upload their music onto the site. In this sense they can choose to avoid intermediaries and complex business models, given that musicians get a share of the profits generated by the site depending on how many times their music has been streamed. Taringa Música is currently working with about 3,000 musicians who must sign an agreement acknowledging the authorship of the music uploaded and distributed before they can upload their music and gain benefits from this platform. Some of these musicians are completely independent,

[5] http://www.taringa.net/musica/

some work with independent labels who have agreed to upload their entire catalogues, and some are artists who work with majors but find that some of their works are no longer available through traditional distribution channels and decide to explore this new paradigm. The site is currently in BETA version and some changes need to be made before it becomes fully operational, but it has already proved very popular amongst users and musicians. The final version of the site is expected to be fully available and operational in about 9 to 12 months.

Value Production

The main asset of this business model is the large number of visitors it has inherited. Taringa has built a strong user community which hasn't stopped growing since the platform was first launched in 2005. Last year alone they had around 18,000,000 visitors from Argentina, 14,000,000 from Mexico, 6,500,000 from Chile and 9,000,000 from Spain. In this sense, it is easy to understand why it has been so attractive to Spanish musicians who can now broadcast their music to a giant online community. These kinds of figures also attract advertisers who currently pay to have banners and information displayed on the site. This money will later be distributed among musicians according to the number of clicks they have received. Taringa Música also allows musicians to upload news, images or videos onto the site, to have conversations with the site's users and to establish close bonds with their communities. These features make the site different from other existing music streaming platforms in which artists do not play an active role. Musicians can decide whether to just upload one song or full albums, and whether they want to promote their back catalogue or new releases. The artists are fully empowered and can decide how they want the tool to work in their own interests.

Position in relation to IPR / Licensing

Taringa Música currently has an agreement with royalty CMOs, according to which they redistribute10% of their advertising income among musicians and artists. They want to change this model so they can redistribute the money more accurately among the musicians. They consider that it is better to have direct contact with the musicians in order to help them to promote their work and generate steady streams of revenue. For the time being, CMOs do not really understand how the Internet operates or the possible business models that can be developed, and Taringa wants to contribute to defining a transparent process in which consumer interest translates directly into income for artists. They believe that if culture is to be profitable, you must first invest in promotion and distribution, and sustainable businesses will follow.

Freeangle.org, Barcelona

Introduction

The Freeangle.org[6] portal is a community of music teachers, composers, musicologists, managers and anybody who shares educational materials, ideas relating to music theory and learning processes, and aims to improve the experience of music students. Freeangle is promoted by the Associacio Catalana d'Escoles de Musica, a non-profit organization that has created a global community based on sharing music scores and learning materials. Freeangle is a public digital library for students, musicians and composers who can share materials from different music schools and learning environments.

Value Production

Freeangle project has been funded by the Associacio Catalana d'Escoles de Musica and even though it does not produce direct economic revenue, it generates value by helping music schools to share and use scores and learning materials from which many students can benefit. The small investment required to keep the site running has a positive impact on the many hundreds of registered users who can upload and exchange materials. The project generates a clear educational value.

6 http://www.freeangle.org

Position in relation to IPR / Licensing

All compositions, files and documents shared on Freeangle are covered by Creative Commons licenses in order to facilitate distribution and accessibility. The content can be accessed free of charge, although users must first create a user login on the main site. One of the interesting aspects of this project is that it allows users to create "chains of arrangements", that is, to download scores, arrange them and then upload them again, always respecting the original authorship of the work. This is very useful in order to adapt content to different learning needs, and would be impossible if the content was not licensed under open licenses.

Although this project is run by a non-profit organization, it is currently facing a growing number of problems, the major one being the obstacles and barriers set by the Spanish CMO, SGAE. Many of the composers who belong to Freeangle are also members of SGAE, which has a very strict, inflexible rights policy. This is an obstacle to sharing scores and educational material.

Future plans

The people behind the project are working towards finding new partners and entities willing to contribute to the growth and development of the initiative. The tool needs to be able to grow to include more users and content, and this is expensive as it implies bigger servers and more technical staff. Freeangle aspires to become an international tool for musicians, teachers, composers and students. This implies improving the technological aspects of the project on one hand, but also working on communicating the potential benefits of this tool for

future users. The music sector has traditionally been hostile to sharing and exchanging scores and information, and although this tendency is changing much work still needs to be made.

3.2 Production of New Cultural Works

The production of cultural goods is based on a mixed economy. It is partly financed through financial investment that is intended to be recovered later (along with a profit) in the marketplace through the sale of copies of the goods or by providing access to them. And it is partly financed by public or private funds provided not as investment but as a subsidy, grant, donation, sponsorship or other means that are not intended to generate financial profit for the party providing the funds. The relationship between the market-based and non-market-based means of financing cultural production is highly specific to particular areas of production. Film is not like literature, which is in turn very different to music. Even within particular genres, the cultural economy is extremely heterogeneous, but nearly all cases involve a mix of market and non-market elements.

The challenge for Free Culture Entrepreneurs is to develop new approaches that recognise the fact that they cannot, and do not want to, control copies once the work has been released. Thus, the strategy of selling copies or access to cultural products disappears from the economic mix. However, other elements, particularly community-based elements, come to the forefront. The best-known example in this respect is Wikipedia, which sells nothing at all. Indeed, books and other media based on Wikipedia content are being sold by third party companies. Wikipedia finances itself solely through community donations, which are one of the types of contributions that it relies on (the others being writing and editing/administration).

Overall, we find that free culture financing models are just as heterogeneous as non-free culture or traditional models of cultural production, but the elements that make up the mix are different.

Vilaweb, Barcelona

Introduction

VilaWeb[7] is a Catalan-language web portal and daily news outlet, founded by the journalists Vicent Partal and Assumpció Maresma in May 1995. It was the first online medium published solely in Catalan and the first fully online news outlet in Spain. VilaWeb is considered to be the leading Catalan digital newspaper, with a readership of around 350,000 unique users. VilaWeb is regarded as a quality newspaper and has won some of the most important industry awards in Catalonia, such as the City of Barcelona Award for Journalism and the Catalan National Journalism Award.

Fields of activity

Besides producing a daily news site, in 2007 VilaWeb also launched a web TV initiative. Since then, it has produced over than 1600 segments. VilaWeb TV is also available as a YouTube channel and on iTunes. On YouTube alone, these clips have been viewed more than 3,000,000 times.

In 2011 VilaWeb launched +vilaweb, a community where readers and journalists can interact and produce the newspaper together. Readers can subscribe to an email feed with information on the subjects that journalists are working on, so that they can make contributions and

[7] http://www.vilaweb.cat/

suggestions during the writing process. Occasionally, readers also suggest new ideas or propose alternative views on an issue. Such contributions are actively encouraged.

Value production

Profound transformations are affecting the ways in which people consume information. Social networks are pushing journalism towards a new paradigm in which communities – and working with these communities – becomes an essential part of the business. In its own experience, VilaWeb has found that advertising as a revenue source for newspapers is in decline, and that readers are increasingly willing to pay for content, even if it that content is freely available. +vilaweb offers membership to readers (€60/year). Members get access to tools for interacting with the editorial team and also receive additional products, such as a monthly magazine. Readers can choose from a range of personal services (e.g. personal blogs) and, there is a membership option designed for companies and associations.

But beyond the services offered, the aim of the community initiative is to strengthen the paper's editorial independence and its future. It is based on models that are emerging in the USA (TexasTribune.org) and France (Rue89.fr).

Licensing

All VilaWeb content is published under a Creative Commons license that allows non-commercial use, but prohibits commercial use and derivate works. This has worked well and no major problems have

been encountered. If these licenses were to be changed in future, it would be in order to enable more freedom for users.

Future Plans

VilaWeb is currently developing a new tool which is similar to an intranet in so far as it will enable readers to organize and talk amongst themselves, and also allow them to have direct contact with journalists through a chat room. In 2015, VilaWeb will celebrate 20 years in business. One of its main challenges in the lead-up to this anniversary is to find ways of integrating the community into the company at a management level. This could imply the creation of something like a readers' company, a way in which readers could be actively involved in the business aspects of the enterprise. This is very difficult in legal terms, and VilaWeb management is still working on trying to find the right models. The goal is to avoid burdening the community with responsibilities that the management of a company is required to deal with by law but that it makes no sense for members to have to deal with.

Blender Foundation, Amsterdam

Introduction

The Blender Foundation[8] is an independent organisation (a Dutch "stichting") that operates as a non-profit public benefit corporation, with the following goals: to establish services for active users and developers of Blender; to maintain and improve the current Blender product via a publicly accessible source code system under the GNU GPL license; to establish funding or revenue mechanisms that serve the foundation's goals and cover the foundation's expenses; and to provide individual artists and small teams with a complete, free and open source 3D creation pipeline. The Blender Foundation was established in 2002.

Fields of activity

The Blender Foundation supports the community of users of Blender open source 3D animation software and provides various kinds of services, including the website and community servers. The Blender Institute was established in 2007 as a permanent office and studio to more efficiently organise the Blender Foundation's goals - especially to coordinate and facilitate Open Projects related to 3D movies, games and visual effects.

8 http://www.blender.org/blenderorg/blender-foundation

The Blender Network[9] aims to promote all Blender-related professional activity. It offers visibility to its members and actively supports their business. It is officially licensed by the Blender Foundation.

Value production

During the first 5 years of its existence Blender was a closed program, and it then migrated to open source. The Blender Foundation was set up in 2002 through a 100,000 Euro donation collection drive.

As the project grew, the separation of users and developers became a significant issue: how to engage users in development? This issue was successfully addressed by the first open film project (Elephant's Dream) and several open film projects which followed that allowed artists and developers to work together closely. Founder Ton Roosendaal remarks: "The aim was to 'make the big software titles and companies nervous'. We can be just as good in open source, but more efficient, and offer better customer satisfaction".

Developers are hired to work at the studio, complemented by an extensive network/community of developers and users. The developer community consists of approximately 100 persons with access rights to the code, and several hundreds who submit patches. The most active developers are 10 people (who do 95 % of the work). 3/4 full-timers are hired by Blender Institute, and 6 part-timers are hired by the studio.

9 http://www.blendernetwork.org

Most revenue is generated via DVD sales (training/open movies). The model is based on selling packages. The turnover is approximately. € 500,000 per annum, and buffers go to the Blender project. The Blender company is owned by Ton Roosendaal.

Position in relation to IPR / Licensing

In the commercial world everything is locked up: producers, distributors and mediators all use commercial licenses, which means that nothing can be done with the materials afterwards. Authors can't even show their own films (publicly). As a result, the whole production/distribution/exhibition chain needs to be covered in order to keep things open. Funding bodies even make it mandatory to show the productions they fund at festivals.

Blender software is released under a GPL license. The open movies are open-content and can be freely copied and reused. Contributors keep ownership over what they develop. The use of a modular approach (libraries/api) protects Blender from being locked up, and the licensing structure is closed off from commercial licenses. Blender is a European trademark, although so far there has been no need to enforce it. The Blender community is the safeguard for IP abuse. The Blender Foundation holds the trademarks (no ANBI/charitable status). Blender works with paid developers, while the copyright goes to the Foundation.

Future plans

The most important future plan is the new Blender Network international partnership program. The Blender Network will provide a website with portfolios, and provide a data authentication service in order to create high enough trust-levels for network partners who can be contracted to work on productions. Blender is specifically looking at international business - ‘we want everyone to have the benefit of off-shoring production’ (Roosendaal). Through the network, users can immediately hire international expertise/production capacity mediated by the network. Blender provides trust and networking. Users have to pay a small fee to be on the website (50 Euro per year) and this fee pays for the running of the website. The Blender Network has to replace the business which had so far consisted of selling DVDs, because this business-model is not sustainable in the longer term.

Submarine, Amsterdam

Introduction

Submarine[10] is a production studio in Amsterdam that develops and produces feature films, documentaries, animation and transmedia. Submarine has established itself as an innovative company, mixing traditional and interactive storytelling while maintaining an international focus. The company works with directors who explore the boundaries of the moving image, including renowned talent such as Peter Greenaway and Tommy Pallotta as well as young, upcoming filmmakers. Submarine co-produces most of its films, animation and transmedia productions in collaboration with broadcasters, distributors and publishers from around Europe and the United States.

Fields of activity

Submarine consists of two entities:

> A production company (which mostly operates like a film company), producing film/documentary/animation/games. As a production company Submarine works mostly with public broadcasters.

> A non-profit foundation that mostly supports Submarine Channel (SC). The Vimeo video sharing platform describes SC as follows: Submarine Channel is the world's premiere destination for original transmedia dramas, documentaries and genre-defying entertainment.

[10] http://www.submarine.nl

The future of storytelling is here. Free Your Screen! From studios in Amsterdam and L.A, Submarine Channel creates fresh content that exploits new technologies to tell stories in visually exciting, multiple format-friendly ways – including motion comics, online games, web documentaries, and video portraits about pioneering creatives from all over the world. The popular website SubmarineChannel.com streams authored content as well as the best in next-gen cinema by peer creators, attracting a global following of creative professionals across the spectrum. Submarine Channel (SC) is more adventurous but shares the same spirit as its Submarine parent company. The channel can be seen as the laboratory of Submarine where new and edgy ideas can be tested. Particularly those ideas that cannot convince a traditional distributor.[11]

Value production

Submarine's primary business model is licensing to public broadcasters - i.e. the model is based on exploiting copyright/selling these rights in an international broadcast arena. Aside from broadcast productions, Submarine also produces games that reflect Submarine's and SC's interest in interactive storytelling. The Submarine business model is similar to the television market model: it is geographically based and rights are sold individually for each region. Film productions are almost exclusively financed through subsidies and tax breaks. Licensing in this case works the same as for broadcasting.

Aside from being a revenue model, this model also provides economic validation: it proves that there is a market – an audience – for a particular project. Submarine Channel projects are generally not suitable

[11] http://vimeo.com/submarinechannel

to become films – there is no link to existing markets, therefore there is no use for traditional film/broadcasting revenue models.

Other revenue models include: commissioned works via a company and revenue from DVD sales. On-demand type services are a future model, which for the moment only makes up 10 percent of DVD sales. The content market is likely to be smaller in the future because demand will become increasingly diversified and fragmented as a result of on-demand and on-line media.

Position in relation to IPR / Licensing

Submarine Channel works are not licensed, they are freely available, and SC does not have a specific policy on rights enforcement. This means that the works are automatically covered by copyright, but so far no action has been taken if works are redistributed. Respect for the integrity of the art work is a one of the project's major principles: the works should be presented to audiences in a specific form. In Submarine's experience, copyright is the best way to secure the proper distribution of works, because it guarantees that somebody is responsible for taking care of the work. In this sense, copyright is less about exclusive control, and more about assigning responsibility.

Public availability in public archives is a big issue: Submarine's director, Bruno Felix says that he does not understand the 'proposition'. Accessibility is a big issue when entering public archives. There is no limited license in the public broadcast archive. Bruno Felix believes that there is a deep misunderstanding of what the digital archive should be able to do. In his opinion, one of the main problems is the incompetence of heritage institutions that often outsource digitisation

and storage to external parties that do not understand the material, while the institutions do not understand the technical process and its implications. The problems in relation to public responsibility for making materials available are mostly practical in nature, but they are currently so extreme that it has become a major issue.

Future plans

Two big productions are coming up: American Russian Roulette- Cultural Origins of the Cold War[12] , a transmedia production with Peter Greenaway, and Codex Alimentarius[13], an interactive documentary about the controversial food code, made by 27 specialist committees working under the auspices of the World Trade Organisation and the Food and Agricultural Organisation. The main emphasis for future production lies on interactive storytelling for commercial and non-commercial productions.

12 http://www.submarine.nl/project/american-russian-roulette

13 http://www.submarine.nl/project/codex-alimentarius

3.3 Digital Fabrication

The process by which anybody can design a physical object and later print it out with a computer-assisted 3D printer is called Digital Fabrication. Many commercial entities perform these kinds of tasks, but a new generation of home printers has increased their popularity in the last five years. The growth of digital fabrication can be attributed to many factors, including the emergence and spread of the Internet, free software, online knowledge-sharing communities, the birth of open-hardware, new P2P modes of production, and the growth of "maker" communities. As Abe Reichental, from 3D Systems says, "The new range is not just about printing things. It is about simplifying the process of making products and letting people use the power of the web to share ideas."

Digital fabrication allows the design on one-off, customized pieces and enables users to share these designs. After a design has been shared, any other person with access to a printer can make as many copies of the object as he or she pleases. The printers can also print out their own components, allowing them to replicate themselves. This is the case with the 3D printer called RepRap, for example, which is the first self-replicating printer. But this project is much more far-reaching than the production of a printer – behind it lies a big community of users who have designed and implemented new upgrades and models based on collective research into new materials, software, production methods, variations, etc. A ecosystem of new enterprises has been born out of this movement, including companies that provide services for printer users, others that sell commercial units, others that produce made-to-measure designs, etc.

This ecosystem includes P2P platforms in which designs are exchanged and distributed, projects such as Physibles that allow users to look for these designs, and data objects that can possibly (and feasibly) become physical. Three dimensional printers, scanners and similar devices are just the first step. Another important online repository for these designs is Thingiverse, an initiative set up by Makerbot, one of the best-known commercial printer producers. Most of the designs hosted on these sites are covered by a GPL or Creative Commons license which enables them to be copied and reproduced.

Digital fabrication would not be possible without the existence of free software and a more recent movement called “open hardware”, which literally consists of hardware components with open documentation that can be replicated and reproduced. This movement has generated interesting tools such as Arduino (a micro-controller whose production is based in Italy), Chumby (a Wifi access provider), Ultimaker (3D printer based in Holland), etc. All these examples show that there is a strong link between the ability to produce open hardware and new business models that are popping up around these communities. The most notable is 3D Robotics, a company that produces drones based on open access electronics known as ArduPilot. The company currently has two factories and over fifty employees.

This P2P economy is steadily growing in the United States, with many relevant examples such as the Global Village Construction Set designed by Open Source Ecology, WikiSpeed and Oscar (both of which produce cars). But there are also European examples such as Tumaker (3D printers based in Spain), RepRap (3D printers based in Hungary but with branches spreading throughout the EU, such as RepRapBCN, etc.).

All of these new production models have led to what many authors are calling a “third industrial revolution”. Transport and distribution are becoming less important in this knowledge- and design-intensive paradigm. Traditional industrial design was based on patents and territorial legislation. This is no longer the case for digital fabrication, in which designs are shared through the Net and production is de-localised and can take place in any household. There is still no specific policy or legislation covering this new paradigm, which poses many totally new questions. In some cases, for example, users will want to produce spare parts to replace existing malfunctioning ones. So far this is possible if there is no profit or commercial use of the pieces produced. Also, as existing patent law covers the production of these patents, sharing designs is not illegal. And as patent legislation is based on territorial jurisdiction, designs can be uploaded on servers located in any part of the world, so its difficult to track those who infringe patents[14].

It is clear that personal digital fabrication opens up new possibilities for designers who can produce cheap prototypes at home, experiment with how objects are produced, and develop new business models that appear to share similarities with those of artisans and guilds. All of these new ventures need to access and exchange knowledge with other producers, and this means that net neutrality is necessary for the development of this new economic area. The erosion of this neutrality threatens the capacity of producers to exchange knowledge and information, which is crucial to produce and design in common. The lack of clear regulations in this field hinders its growth, as there is too much uncertainty surrounding what can be done and what may constitute

[14] For a more specific discussion on these issues see http://www.publicknowledge.org/it-will-be-awesome-if-they-dont-screw-it-up

an infringement. The growth of micro-businesses around open hardware and digital fabrication labs is without doubt an interesting area to be explored by free culture entrepreneurs.

3.4 Some challenges concerning copyright and the sustainability of new publishing models

As we have already mentioned in the introduction, this work can not analyse in depth all the sectors that conform the cultural industries, but still we consider important to introduce some lines on the book industry, which is the largest market in terms of annual turnover in the cultural industry at the European level, and also the oldest cultural production industry, is currently undergoing a profound restructuring in the industrial, economic and – we hope – legal sense. The symbolic power of the book-object and of the publishing profession, legitimised by the unique contribution of print culture to Western history, appear to hinder our ability to imagine and implement new experiences and business models that favour the necessary, coherent adaptation to the new technological realities and to the consumer and cultural access habits that they have brought about.

In this section, we will try to briefly touch on some of the challenges that the sector is facing in regard to copyright and the sustainability of new models in this uncertain situation.

Examples of experiences that are challenging the traditional sense of the book chain include: free online libraries, prescribers, specialised social networks such as Goodreads, self-publishing platforms and tools such as Cream, Oyster, Lulu and Bubok, the various crowdfunding platforms that are hosting and running publishing projects, online reading services such as 24symbols (a kind of Spotify for books), associations of industry professionals and readers such as Les 451 in France, political enterprises that use books as a pretext for political education and social actions and use the net as a space in which to release their books, such as the Spanish project Traficantes de Sueños, publishers that choose to subvert traditional profit margins such as Sigue Leyendo and Caramba Cómics, publishing cooperatives that have decades of history behind them, such as Elèuthera in Italy, online reading tools/applications, nodes of like-minded publishers such as Contrabandos, publishing houses that diversify their services to cover different demands from authors/booksellers/readers such as Pluto Press in Great Britain, scientific communities that decide to alter traditional measures by releasing their documents, specialist online bookshops, communities that generate fan fiction and produce value through their derivative works, etc...

Clearly, we are seeing a mutation in the way the publishing chain is organised, with a shift away from an inflexible chain of consecutive actors in favour of a networked space in which the different actors are connected through new, complex interdependent relationships. For example, Traficantes de Sueños, which is at the same time a bookshop, publisher and distributor, is a benchmark project in that it opts for and demonstrates the possibility of going against the accepted “fact” that cultural production will disappear if we allow free downloads and copying, and in that it produces a social, alternative economy.

It is important to think in terms of hybrid analogue-digital models. To turn away from professional compartmentalisation and correlation, and include non-commercial actors in processes that produce value and wealth. To stop seeing the internet as an enemy and instead recognise it as an ally that has taken on the role of the great mediator between products and consumers, which had previously been exclusive to publishers. The success of publishing projects will be mediated by the capacity for networked dialogue and for creating live communities. That is the main force that we can wield against the transformation of the scene as orchestrated by the big corporations such as Apple, Google and Amazon, which are cornering an incipient market to the point of almost turning the game rules into a de facto monopoly.

Decentralising the physical book-object (text) in the organisation of production

New publishing business models are doing a good job of illustrating this decentralisation – they may have differing degrees of political views and of success, but they are taking risks and bypassing the game rules that are exclusively based on books and IP rights, as per the traditional market.

Publishing projects and experiences already underway, in which the production/commercialisation of books is just one of many nodes in the ecosystem, companies that see and produce books as a start rather than an end, as a pretext for something bigger or that involves more people, and not just as a text-product to be sold, all help us to imagine this new scenario. If we stop thinking about books as a product and instead see them as a service that is interdependent on many other services associated with their content, we will be able to understand why projects such as O'Reilly and Traficantes de Sueños are

sustainable in the current context. These companies and projects are thinking, producing, disseminating, communicating, and distributing from the digital scene right from the outset, and taking advantage of all the possibilities that it offers for the free dissemination of knowledge and of liberated works.

A Free Culture publisher would thus be able to generate systems that covers all the roles of the old value chain, while also containing a great commercial paradox at its core: "liberated" books, freed from barriers to access. If books are liberated and made accessible from the outset, the goal becomes to figure out how to generate an economy around these liberated books. A fundament element of this approach, both in the digital and physical realms: community, which now at the heart of the Net. Readers are no longer mere receivers of a product, and instead gradually become participants in an active, collective conversation (community) around a publishing project.

The funding channels that favour the sustainability of these experiences are diverse and innovative. A key objective is the economic sustainability of projects, which are always conceived as scalable, and include the possibility of self-employment for its agents. Some of the means that are often used to this end include: membership campaigns, subscription model (promoting "freemium" services), one-off and/or regular donations, microcredits from the project's affinity network, support bonds, sales of physical copies, sales of other products (from t-shirts to e-readers), alliances with other agents – but not just from the perspective of commercial promotion, also in an attempt to identify and promote resource sharing, transparency, trust, etc. Promoting reciprocal exchanges with these and other like-minded projects is a way of looking after the networks in which these projects move, which are based on a commitment to protocols and norms that enable their

feasibility. In this way, the concept of sustainability is understood in an expanded, shared way: to the extent that the like-minded/related projects are sustainable, the same will apply to part of the network in our affinity network. This approach also encourages the participation of the community (integrating writing into reading), promotes activist/aware consumption, and creates innovation in free digital practices, beyond understanding how to "liberate" a book by placing a CC BY NC ND license on the print version without making a digital version available on the Net. As a result, there is a practice-led increase in regard to networking and Free Culture literacy for all the agents involved, while attempting to always clear up the polemic confusion around the term "Free": Free does not mean free of charge.

Identify and strengthen national and transnational alliances that put forward discourses and actions that challenge hegemonic inertias

Initiatives such as the associativism of independent booksellers Les 451 and their successful demand for protectionist measures for the sector from the French government in response to the "dumping" by Amazon show how any national, and therefore transnational, alliance would be favourable and productive in the necessary demand for specific policies to support the restructuring of the publishing industry and the legislative reforms, above and beyond measures that criminalize new habits of networked cultural sharing and consumption.

3.5 Policy Recommendations

Public Access to Publicly Funded Works

Eurozine: It is necessary to explore how the conditions that apply in the world of scientific publishing – where public funding is increasingly coupled to the requirement of providing open access to the published results – can be adapted to the realm of cultural publishing. While the issues involved in these two fields are not identical, there are certain similarities such as the relatively small commercial value of many products compared to their high social value. This is not an uncommon scenario in the public domain in general[15], and it should be taken into account when preparing impact and funding assessments.
Blender: Here again, publicly funded content could be required to be made publicly accessible. Public money should only go to publicly licensed material. Public bodies need to rethink policies towards open and closed licenses. Blender is participating in a discussion and presentation at the European Parliament to address these public policies.

Network Neutrality

VODO: Network neutrality is very important in order to ensure a level playing field for smaller, independent actors. Without it, independent platforms like VODO and the cultural diversity of their films would be at

[15] See Rufus Pollock. The Value of the Public Domain. July 2006 available: http://www.ippr.org/publicationsandreports/publication.asp?id=482

a structural, long-term disadvantage. The same applies to the blocking of network traffic, whether it is based on origin/destination (e.g. the blocking of peer-to-peer sites) or based on protocols (e.g. bit torrent).

Independent Distribution, offline & online

VODO: Cultural entrepreneurs, who cannot, and do not want to, become the next hugely profitable (quasi)monopoly, but who want to service important cultural niches, tend to find it difficult to get seed funding for their operations. They do not attract the interest of venture capital, which is willing to accept the risk of innovation, but only for certain kinds of innovation. EU-based funding programs are too bureaucratic to be manageable for many entrepreneurs. There is a need for better funding programs that are appropriate for cultural entrepreneurs, and take into account the speed and scale of current development. In terms of film distribution, the current EU strategy almost exclusively focuses on (independent) movie theatres. This needs to be complemented by an explicit digital distribution strategy suitable for non-mainstream film culture.

Collecting Rights Management Organizations

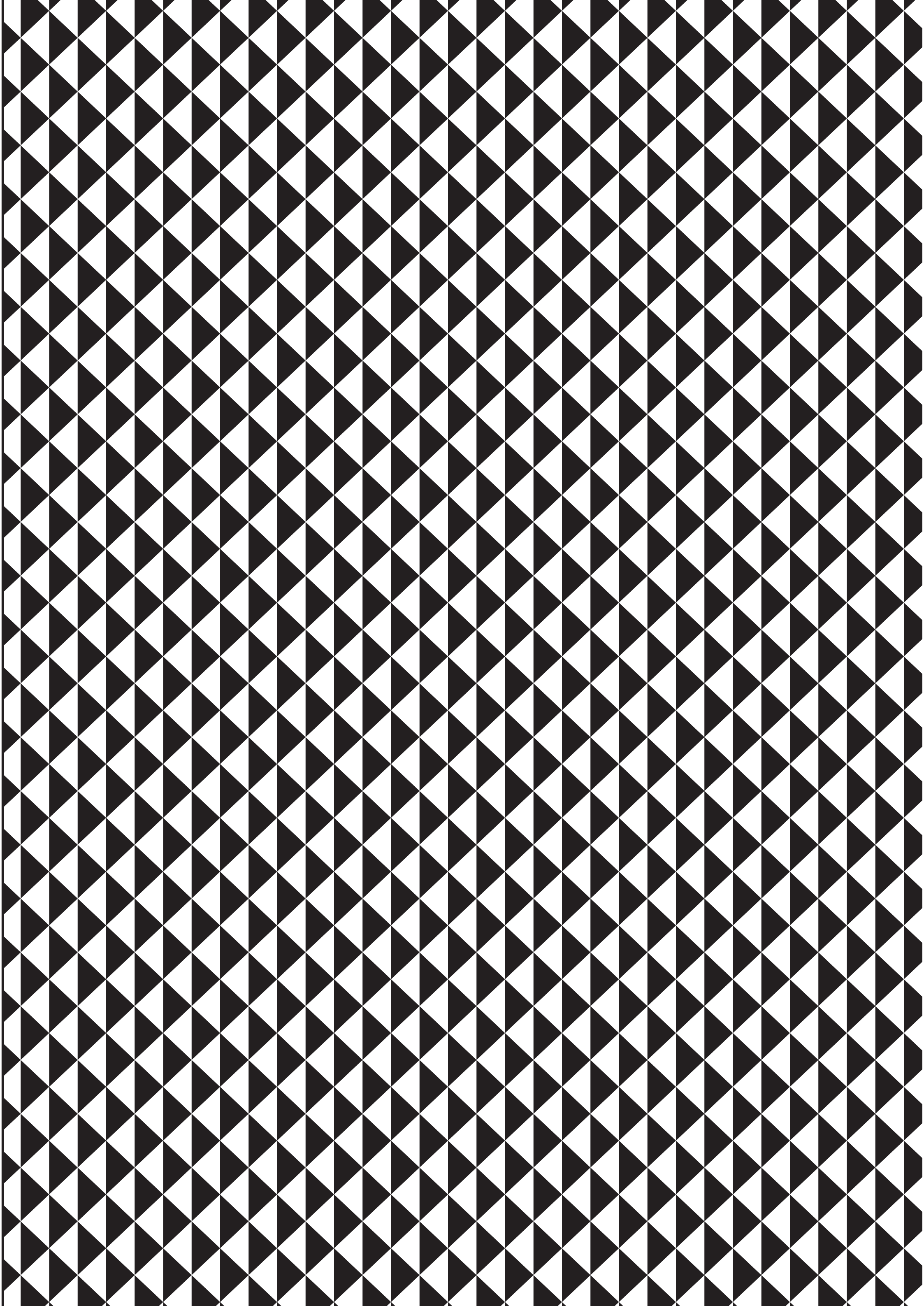
Play.fm: The market entry barrier created by the complexities of European CMOs needs to be lowered dramatically so that smaller actors can also have the opportunity to operate in the field. This could be done through the creation of a new European institution with the power to grant a general license that is flexible enough to fit diverse operating models and simple enough to allow smaller players to enter these markets.

Freeangle: Many communities would like to collaborate with CMOs that are able to understand current changes to the ways in which people share and use musical scores and other learning materials in the music teaching world. In this sense, they would like this kind of content, solely designed for educational purposes, to be exempt from copyright. Shorter and more flexible copyright terms are an essential part of building a strong learning community. In Spain, for example, many music schools are public, and as such the contents they produce should remain public and CMOs should be able to deal with this fact with sensitivity.

Blender: The first recommendation is to create an open source/content CMO focuses on content covered by non-commercial licenses and in no way devalues, affects or restricts dissemination in the case of non-commercial use. And secondly, to recover the rights for open content projects that are now inaccessible.

Flexible Licensing

Submarine: The current 15 year license to public broadcasters exceeds the commercial lifespan. In general, most profit is made in the first 2 years and the commercial potential drops rapidly after this period, but the work cannot be made available in other forms because of the 15 year license.



4. Crowdfunding and Free Culture

"Crowdfunding" is the term used to refer to the collective financing of projects, usually through an online platform[1]. It is sometimes called microfinancing or micro-patronage, although strictly speaking not all crowdfunding can be considered to be a form of patronage. The substantial growth of the crowdfunding phenomenon has led people from many fields to suggest that it may end up replacing the traditional forms of production of cultural products (investment by producers and publishers, public grants, pre-payment, etc.). In general terms, crowdfunding appears to be the most democratic option for cultural production. One of the advantages of crowdfunding is that it allows individuals and public and private companies to contribute whatever amount they choose to help a cultural initiative come into being. Crowdfunding (hereinafter CF) platforms are also a financing option for projects that do not fulfil the prerequisites for public funding, and do not attract the interest of private enterprise.

As the story goes, CF was born in 1997 when the British rock group Marillion ran an online fundraising campaign to finance a tour. But the history of culture offers many possible examples of collective

[1] Some of the ideas contained in this fragment are derived from "Experiencias de Crowdfunding en el Estado Español y Cataluña: Principales características, retos y obstáculos" by X.net and Silvia Caparrós.

financing, and we can see the birth of free software back in the eighties, for example, as another contemporary example of CF. Free software programmers began developing operating systems and applications without receiving payment in exchange. This soon shifted to a system of donations that allowed further development of certain projects that aspired to contribute to the common good: examples include Wikipedia, Creative Commons and the Mozilla browser, among many others. CF soon proved to be an ideal financing system for these types of projects: a quick, simple, online system that appealed to the best in each person in order to create common property, together. In other words, it was an ad-hoc system for financing technological projects in a digital environment.

This chapter starts by looking at several case studies that help to explain different approaches to CF. It then examines some of the problems that abound in this new context, and explores the questions and concerns of the representatives of the platforms that we were able to talk to. Although CF is certainly experiencing a boom right now, it is important to identify the obstacles and consequences of this fundraising system as applied to the cultural sector. The chapter concludes with a series of recommendations and possible solutions to the problems identified.

Crowdfunding has experienced spectacular growth. According to 'The Crowdfunding Industry Report[2]' published in May 2012, a total of 1.5 billion dollars were raised internationally in 2011 using this model: an increase of 63% over the last three years. The United States is currently the world's largest crowdfunding market, but Europe is not far behind.

2 http://www.crowdsourcing.org/document/crowdfunding-industry-report-abridged-version-market-trends-composition-and-crowdfunding-platforms/14277

The report found that there were around 452 Crowdfunding Platforms, and that 1,000,000 projects had been carried out successfully in the first quarter of 2012.

Three different agents or parties are involved in crowdfunding: (1) the promoter who seeks funding for a project (entrepreneurs or creators) (2), those who contribute the funds (the financers) and (3) the technological platform that enables contact between the two, selects the projects and, in most cases, also provides advice, software licensing, and other services for which they sometimes charge commissions.

CF platforms usually set a funding goal for each project. If the promoter achieves this minimum, he or she can collect the money, minus a percentage that goes towards paying the platform for its services, which is usually a 5% commission. If the minimum funding goal is not raised, the financers do not pay and neither the promoter nor the platform receive anything. This security mechanism is known as a “pledge” system.

CF co-financers receive rewards in exchange for their contributions. These vary according to the type of project being funded, and can be (i) non-financial, from appearing in the credits of a film or video or receiving a copy of the book or album that they have financed, to tickets, a t-shirt or a certificate and, always, the satisfaction of having helped somebody to make their project a reality; or (ii) a financial return in the form of income, interest, or even the recovery of the amount invested.

The first, “non-profit”, type of crowdfunding is usually applied to social projects, research, and the creation and/or exploitation of cultural works: music, audiovisuals and literature. Non-profit crowdfunding also allows creators or promoters to hold onto the ownership

of their work or project, given that the financers do not have any share in it and are not able to interfere in the promoter's creative or entrepreneurial process.

On the other hand, for-profit or for-payment crowdfunding is aimed mainly at business projects, and it is often used in the English-speaking world to finance the creation of artistic digital content (video games, music and audiovisuals). Companies created using this type of CF system can end up being owned by the investors – in proportion to their contributions – along with the entrepreneur or artist. Investors can share the power to control, supervise and/or manage the project along with the author/creator, and as such this model is not appropriate for projects of all types.

The following section offers an overview of a series of CF platforms and highlights some of the differences that exist between them.

Goteo, Barcelona-Bilbao

Introduction

Goteo[3] is a social network for crowdfunding and distributed collaboration (services, infrastructures, micro-tasks and other resources) that encourages the independent development of creative, innovative initiatives that contribute to the common good, free knowledge, and open code.

Goteo is an initiative managed by the non-profit organization Fundación Fuentes Abiertas in order to ensure that the principles of openness, neutrality, transparency and independence are maintained. Goteo's principal promoter is Platoniq, an international organization of cultural producers and software developers who are pioneers in the production and distribution of copyleft culture.

Fields of activity

The main difference between Goteo and other crowdfunding initiatives is that Goteo promotes projects or goods that contribute to the common good or that have some kind of collective return. By doing so, Goteo escapes the logic that can be found in other platforms that work as systems for the pre-payment of cultural goods. All the projects hosted by Goteo need to clearly define the personal returns that each individual

3 http://goteo.org/

contributor will get (t-shirts, badges, acknowledgement, etc.), but they also need to specify the collective returns that the project will generate (what communities will benefit and how, if it involves code, how it will be re-used, what social impact the project will have, etc.).

This platform accepts financial donations but it also allows people to contribute to the projects by giving their time, physical help, technical advice, etc. so it combines crowdfunding with crowdsourcing. Some projects might need IT specialists, developers, writers, fundraisers, etc. so the way supporters can get involved in different projects might vary. By using this approach, Goteo helps to promote collaborative and collective projects rather than simply supporting the design of prototypes or objects with a solely commercial value.

Value Production

Goteo has received support and funding from numerous entities, including the Spanish Ministry of Culture, CoNCA (Catalan Culture Council), ColaBoraBora, Institut de Cultura de Barcelona (Barcelona City Council), Medialab Prado, and CCCB Lab (Centro de Cultura Contemporànea de Barcelona). The platform promotes about 8 projects per month and each of these aspires to raise an average of about 5,000 euros. The current success rate is around 55% of the projects hosted on the platform. Each donor contributes an average of 50 Euros, although the contributions range from 5 to 300 Euros per person. The platform keeps 8% of the amount raised from each successful pledge.

Position in relation to IPR / Licensing

Goteo follows a strict policy of hosting projects that share the philosophy and values of Free Culture. Most of the projects hosted so far have used Creative Commons or other open licenses. In the case of software, the platform promotes free software projects.

Future Plans

One of the objectives of Goteo is to open a network of parallel sites aimed at funding projects on a more local scale. The Basque version of the project was launched recently, and the platform aspires to generate many more nodes. This will allow them to grow without having to create a big central infrastructure that requires time and financial investment.

Voordekunst, Amsterdam

Introduction

Voordekunst[4] ('For the Arts') is a website that allows art projects in the development stage to seek additional funding from individuals and companies through "crowdfunding". The project started in 2010 and became an independent foundation in 2012. Voordekunst aims to be transparent and democratic. It seeks to stimulate entrepreneurship and strengthen public support for the arts sector.

Fields of activity

Voordekunst offers crowdfunding support for arts projects in all genres: art, creativity, cultural heritage, and culture more generally. It aims to stimulate entrepreneurship in the arts sector, and at the same time strengthen public support for the arts and culture. Any cultural producer who fits the general criteria of the platform can submit a project to the Voordekunst website. The main criterion that new projects are judged by is their feasibility. Voordekunst offers advice and supervision to potential new applicants through introductory crowdfunding workshops .

4 www.voordekunst.nl

Value production

The foundation has "ANBI status" – in other words, it is considered to be a charity working for the public good – and this means that donations made under certain conditions are tax deductible. Its revenue model is a percentage charged to successful projects, a model that can only work when there is a critical mass of projects. Right now this critical mass has not been reached, and Voordekunst still relies on its partners to continue operating (ten partners as at 2013: Amsterdam Fund for the Arts, BKKC Brabants' Knowledge Center for Art and Culture, Cultuur & Ondernemen, ING, Fonds 1818, Arts Council of Groningen, Provinces of Overijssel and Utrecht, Mondriaan Fund, Ymere housing company).

The partner cultural foundations expect applicants to be able to generate income via other (non-subsidy) means, and believe that crowdfunding can stimulate an increased percentage of self-generated revenue. Another of the main goals of the project is to show the popularity and appeal (public support) of arts and cultural projects by means of generating support "from the crowd". The major Dutch financial company ING is interested in becoming a partner in new forms of entrepreneurship. ING is also supporting Voordekunst in the field of marketing and with cash flow issues, bringing in expertise and a financial buffer.

Voordekunst in numbers:

- In 2012, 176 projects were successfully funded.
  57 projects were not successful.
  52 projects were still in process at the end of 2012.
- Total: 235 successfully / 76 not successfully completed projects.
- 1.6 million € was collected, provided by more than 14,000 donors.

Position in relation to IPR / Licensing

Voordekunst does not currently use specific licensing structures for the projects presented on its website. The organisation does not yet have an official position in regard to rights and licensing, but it is currently considering the issue and it welcomes discussion around this issue. Voordekunst does not yet have a specific orientation towards open licensing structures for its projects, but is interested in developing this.

Future plans

Voordekunst would like to be able to finance larger projects. It has found that larger organisations are keener to keep control of their fund-raising strategies in their own hands and is looking for ways to connect with these organisations.

Right now the Voordekunst model is B2C (Business to Consumer) and it would like to include a B2B (Business to Business) model to involve companies more closely with this initiative. It would also like to investigate matching funding systems. ANBI status is not very effective with smaller donations, so Voordekunst is involved in discussions with the Dutch tax authorities to explore how smaller donations can be made fiscally more attractive. With its partner ING, the organisation is looking at a pilot project in which the company provides a sizeable donation, and its employees then choose how to allocate this sum to projects on the Voordekunst website.

Lánzanos, Ciudad Real

Introduction

Lánzanos[5] is a crowdfunding platform that has been operating since late 2010. It has grown into a CF benchmark in Spain, with over 1,500 projects completed since its launch. Lánzanos hosts cultural and technology projects, particularly video games and software, as well as socially responsible projects based on solidarity.

Value Production

The platform – a limited liability company run by three partners – differs from similar initiatives because of the great diversity in the type and size of projects that it hosts. The average funding goal requested for each project is currently in the 2,000 / 2,500 Euro range, and the success rate is around 60% of the projects launched. The platform has recently seen a rise in the number of podcasts (which require financing of around 600 Euros) and magazines or fanzines (which are also easy to fund) launched through the platform.

Lánzanos charges 5% of the amount raised by projects that successfully reach their funding goal. For solidarity projects, this rate is reduced to 1%. The platform currently hosts an average of 50 projects per month, and its management team is starting to consider the possibility of hosting projects that seek investment in return for a share in

[5] http://www.lanzanos.com/

the profits of the project. However, they tell us that the current legal framework is not very clear about the legal status of these types of initiatives. The legal uncertainty in relation to crowdfunding undermines the viability of the platforms.

Future Plans

Lánzanos has introduced its own filtering system that determines which of the projects submitted will be launched on the platform and go on to seek funding. All of the projects that are submitted are initially placed in a section of the website called "the box", where users can discover them and vote for the ones they like. Projects that reach 100 votes are moved to the public part of the website and their fundraising campaign begins. This means that the communities themselves screen the projects and decide which are to be launched and which are not.

Sponsume, London

Introduction

Sponsume[6] is a Crowdfunding platform that started operating in London in August 2010, making it one of the first European CF initiatives. When it started, its main focus was on funding the production of films and documentaries but it currently helps to fund all kinds of cultural productions including fine arts, music, photography, performing arts, etc. Despite being located in London, Sponsume hosts pledges from all over the world and operates in 21 different currencies, as opposed to most other platforms that are more country or region specific. In the last three years they have carried out over 1000 success pledges.

Fields of activity

Sponsume allows a wide array of initiatives to seek funds through the platform. Although London-based projects currently account for over one third of the international funds received, Sponsume hosts projects from other countries in Europe such as Spain, France and Greece, from Asian countries such as Indonesia and Thailand, and from the United States. This platform also works with established institutions such as Shakespeare's Globe Theatre, London, Fashion Week, the Berlinale Talent Campus and Edinburgh Fringe Theatre, helping to fund specific projects or parts of their activity.

[6] http://www.sponsume.com/

Value production

This platform has successfully funded over 1000 projects and the number is growing as the project becomes more established. One average, each funded initiative is around the 5000 Euro mark, but it is different from other platforms in that it does not require the full amount pledged to be met in order to access these funds. That is, all projects are successful in gaining some funding but not all meet the amount needed to be fully carried out. There are plans to change this soon and introduce a two-step system in which there is a minimal and an optimal amount to be met. The platform deducts a 4% fee for campaigns that meet their target, and 9% when they fail to meet it.

Future plans

Sponsume is working on strengthening the initiative and broadening its activities, and aims to operate in more contexts and countries. This is not always easy as the regulations concerning crowdfunding can be quite different from country to country. In this sense, the fact that there are no standard regulations across the EU is a challenge to businesses that aspire to operate transversally, and a major obstacle to the growth of these platforms. While there is a very clear set of regulations for share- or equity-based programmes, things are much more relaxed when it comes to credit-based schemes, and this hinders the growth of crowdfunding as a parallel funding system for business or for-profit initiatives.

Verkami, Barcelona

Introduction

Verkami[7] is a crowdfunding platform targeted at independent creators who seek financing in order to make their ideas a reality. The project was created in Mataró (Barcelona) as the private initiative of a father and his two sons: Joan, Adrià and Jonás Sala, a biologist, an art historian and a physicist, and its legal identity is an SCP or private unlimited company.

Anybody with a creative project can participate in Verkami, which accepts projects by creators and entrepreneurs from all artistic, social and cultural areas of life: films, music, theatre, comics, community projects, design, software, photography, technology, social endeavours, inventions, journalism, video, literature, etc.

Value Creation

On average, the platform hosts around 100 projects per month, and at the time of talking to us it had produced 430 projects in 2012. Projects hosted on Verkami usually require an average of around €3,700 funding, and successful cases are raising around 30% more than their requested funding goal. Verkami is one of the most successful platforms in Spain, with 73% of the projects presented achieving the funds they need.

7 http://www.verkami.com/

Donors contribute an average of 25 Euros per project, and the platform charges 5% of the amount raised for projects that successfully reach their funding goals. One of the striking things about Verkami is the fact that many of the projects it promotes are in the music sector (almost 30% of the total), followed by audiovisual projects, which are not far behind.

Future Plans

The Verkami team is not very interested in promoting projects that seek investors in exchange for monetary returns based on the profits generated. They feel more comfortable working with smaller projects that have tangible results. This is partly a result of their philosophy, which gives priority to collaborative aspects over financial aspects, and partly because of the legal uncertainty around these types of issues, which makes them rule out the idea of working with investors as shareholders. Verkami prefers to think of itself as a platform that enables the pre-sale of cultural products and projects rather than a patronage initiative. It aims to grow in this direction and to be able to identify, understand and help promote good quality cultural projects.

4.1 Problems, issues and changes to crowdfunding

After a detailed study of the sector, including conversations with professionals who are directly involved in the running and promotion of CF platforms, we can move on to discuss some of the main issues and problems that have been coming up in this sphere.

Scalability

One of the peculiarities of this funding model is the fact that it has proven useful for funding projects with small or medium budgets. But the characteristics of CF platforms make it difficult to fund projects that require large investments or that are carried out over long periods of time. CF platforms capture the attention of their communities for approximately 30 days (usually with funding peaks that increase in the last three days of the funding period). Projects that require high levels of funding do not usually fit into these dynamics. A study of funding ranges on Kickstarter – a pioneer CF platform in the US that already has a long history behind it and can give us an insight into the phenomenon – clearly illustrates that this is the case. In 2011, 58.5% of successfully financed projects had requested between 1,000 and 10,000 dollars. In the next range, 11.8% of projects requested less than 1,000 dollars and a further 11.8% requested an amount between 10,000 and 20,000 dollars. The rest of the figures are incidental: only 0.08% of projects set funding goals between 100,000 and 1,000,000 dollars, and only 0.3% requested more than a million dollars[8].

[8] See: Experiencias de Crowdfunding en el Estado Español y Cataluña: Principales características, retos y obstáculos. Inspiración y recomendaciones para un instrumento

The team behind Riot Cinema, the Madrid-based production company that is currently working on raising funds to finance the film *El Cosmonauta*, confirm our suspicions. They tell us that in the current legal and tax framework, “CF is a useful tool for smaller projects such as short films, video clips, and so on, but not for big projects such as feature films.” Even though they have managed to raise almost 50% of the total budget of their feature film through micro-contributions, they say that it has been arduous work, and they are not sure whether they would do it again.

CF makes sense for projects that seek between 3,000 and 15,000 Euros in funding. With amounts greater than 15,000 Euros, financing becomes very complex. This is of course sufficient funding for some types of projects. But these amounts are very small for larger projects such as videogame development, film and theatre. This also reminds us that only projects or initiatives that have a great deal of media visibility will be able to cross certain funding thresholds, and this will tend to discriminate against less mainstream projects or projects that have a harder time accessing the media (bet it for political, technical, or other reasons).

Income from work, not capital

The funds raised by CF are mainly the fruit of direct income from work. As CF is not considered to be a form of investment (it swings between the notion of collaboration and pre-purchase) the money rarely comes from financial capital or other investment funds. This greatly restricts

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más sólido de financiación transversal colectiva, pública y privada de la cultura. http://2012.fcforum.net/experiencias-crowdfunding-caracteristicas-retos-obstaculos/

the possible sources of wealth that projects can access. And this in turn clearly determines the size and volume of the projects that can be crowdfunded on a regular basis.

In Spain, there has been an attempt to launch a project called Seedquick, which aims to raise seed money for entrepreneurial ventures. But the lack of a clear legal framework to regulate the real possibilities of micro-shareholding has led the project to be put on hold pending legislative changes. In the United States, the shutdown of the Profounder platform received a great deal of media attention. The website of this platform that raised seed money for business ventures clearly states the reasons for the termination of the project: “Despite our progress, the current regulatory environment prevents us from pursuing the innovations we feel would be most valuable to our clients, and we’ve made the decision to shut down the company.”

In Europe, some projects that seek to raise micro-financing for companies are springing up. One of these is Finland-based Venture Bonsai, which aims to host projects from all over the European Union, but admits that it cannot take responsibility for the incompatibility of the different regulatory frameworks of the projects. It is important to note that none of the projects we are discussing in this section are aimed at cultural or creative companies, but generally target technology companies that have the potential to achieve short-term results. As cultural companies generally take an average of four years to turn a profit, they are not particularly interesting ground for speculation.

In the US, the Jumpstart Our Business Startups Act18 (better know as the JOBS Act) was passed last year with the objective of promoting these kinds of platforms and facilitating their growth. One of the changes introduced in this legislative framework approved on 5 April

2012 allows companies to have up to 500 shareholders before they are legally obliged to be registered as such. This makes it much easier for these companies to carry out their transactions and to build up a shareholder base. Even though the law was passed with the support of both sides of the House of Representatives, it has come up against criticism that should be taken into account. The most significant comes from the Consumer Federation of America (CFA), which denounces the loss of guarantees for investors and the possibility of fraudulent initiatives that may be difficult to detect.

Crowdfunding has also been used in processes that invite potential investors to participate in start-ups and the early financing of business ventures. For example, the German platform Seedlounge aims to bring start-ups together with potential investors (Business Angels) by setting up events where start-ups can pitch their business ideas. The term “crowdfunding” is sometimes also applied to these events, even though they present no new challenges to legislation because they simply facilitate traditional investment in start-ups.

In Europe, the existing national legislation approaches start-up funding in a number of ways. For instance, all European countries have legislation that governs the requirements for setting up various types of companies, from limited liability companies to publicly-traded companies. The European Union has made several attempts to create a single set of regulations, the most notable being the Societas Europaea (SE), which created European stock companies. The regulation that best applies to the crowdfunding context is the directive to create a European Private Company.

Legal uncertainty

One of the recurring problems that many of the representatives of CF platforms that we talked to complained about is the lack of a specific legal framework for CF, both at the national and the EU levels. Each of the platforms made up for this legal vacuum through their own work, but there are still certain inconsistencies or uncertainties in regard to specific practices. CF can be regulated on several levels:

1) Provision of financial payments
2) Use of copyright and further use of immaterial goods
3) Taxation on the sale of material goods and services and income taxation
4) Protection of investments and ownership in business
5) Distribution of loans and credits
6) Protection of user data[9]

In general, the first three of these areas of regulation would cover the use of crowdfunding to finance projects in the creative industries. The final two only apply if ownership shares are transferred, or financial returns are expected. For instance, most crowdfunding platforms require the financer to pay as soon as the funding pledge is made. In other words, prospective financers pay their share even if the crowdfunding project is still in the stage of being financed, and not when enough 'pledged funds' have been registered with the crowdfunding platform.

[9] For a more detailed account on these issues see http://www.eenc.info/news/report-on-crowdfunding

Since most crowdfunding platforms work on a threshold principle, the platforms promise to pay back the monetary contribution if the project fails to achieve its funding goal. For instance, if the budget is set at 4,000 Euros, then all funds will be returned if the project receives pledges to the value of less than 4,000 Euros. In both cases, the crowdfunding platforms act as a bank, not just as a facilitator of payments. They receive money that they forward to the project owners if the threshold is reached, or return to the financers if the threshold is not reached.

In German banking law, for instance, any institution which accepts the deposit of money can potentially be regarded as bank. The limits are set fairly low – it is sufficient to have 25 people depositing money, or to have at least €12,500 in total deposits in order to be required to register as a bank[10]. Crowdfunding platforms often have no intention of being regarded as banks, and, as such, they create escrow accounts in which the money is held, but not used for further investment.

There is a clear need to create a European regulatory framework for small and medium-sized companies: at the moment, each European country has a different set of rules that set out the capital requirement, the distribution of liability among co-owners, and the requirements for transparency, accounting and investor protection. While it is possible for a citizen of the European Union to open a private company in another jurisdiction, the different jurisdictions make cross-border access to investments a time-consuming and expensive undertaking.

So far, crowdfunding platforms have not been able to solve this problem of cross-border access to investments. In fact, some crowdfunding platforms do not accept investments outside of their own jurisdiction

[10] http://www.eenc.info/news/report-on-crowdfunding

in order to avoid the legal hassle of dealing with non-domestic investors. The Swiss platform investiere.ch, for example, does not actively address non-Swiss investors. They even decline website access to citizens of certain countries, such as the US, and restrict access to accredited investors in countries such as Germany if there is no prospectus for the relevant investment proposal.

In some countries, crowdfunding activities have to be registered with public authorities. For example, Poland does have a crowdfunding policy: the Bielsko-Biela Declaration[11].

Many crowdfunding experts and platforms owners cite the need to adopt separate legislation for different crowdfunding scenarios. As one expert said, "a clear regulatory distinction should be made between crowdsupporting (giving money, without reward), crowdfunding (investing for benefits) and peer-to-peer lending initiatives."

Community burnout

The funding success of a project is directly related to its promoters' capacity to mobilise their communities and the social groups that will benefit from it. The Goteo team were quite clear about the fact that the success of the initiatives hosted on their website is strongly influenced by the size of the communities that they can mobilise or address. Even so, CF projects in Spain currently appeal to small communities, and the limits of their ability to support projects are starting to show. Many free software or environmental projects rely on very small niches to support them. This burnout of certain communities that are unable

[11] https://www.howtogrow.eu/data/video/video_The%20Bielsko%20Biala%20Declaration.pdf

to contribute to all the projects that seek funding can be a genuine limit to the growth of CF. Although it's true that this hasn't been the case in the USA, we have to bear in mind that the campaigns there are aimed at much broader and more numerous population groups than those in Spain. One way of solving this problem would be to allow the platforms to receive funds from financial capital, but as we've already mentioned this is difficult in the current legal and tax framework.

Project polarisation

The surveys carried out at the different CF platforms show a clear polarity in the type of projects that are most likely to achieve success. All of the platforms surveyed claimed that music-related projects are the most popular, followed by audiovisual projects, and sometimes magazines or similar publications. More experimental, adventurous or critical projects have a harder time raising funds, and end up being marginalised within the overall context of CF platforms. In this sense, crowdfunding will never be able to replace public funding, which must, by its nature, allocate resources to projects that are outside of the mainstream but not for this reason lacking in interest.

Communities with limited Internet access, migrants, elderly people, groups with low digital literacy, and so on, cannot finance their projects via CF because their potential donors do not inhabit networks. Products that are easier to sell, such as music or some audiovisuals, are more likely to be successful because they are more easily consumable. In this sense, projects that have a physical component tend to prevail over more ephemeral projects or ones that aren't specifically based on the production of a tangible object. This leads us to wonder whether specific platforms will be created to reach these types of

projects and population niches which tend to have a smaller online presence. Similarly, it would be interesting to find mechanisms that mitigate, or eradicate, these forms of inequality.

Fees, taxes, and expenses

Given that CF is not included under Spain's current patronage law and that its legal status is not very clear, one of the problems encountered by users of CF platforms is the fact that it is difficult to foresee the real and administrative cost of the different campaigns. While platforms deduct between 5 and 8% of the total funding raised by successful projects in order to cover their running costs, this amount is further increased by the fees charged by banks for processing transfers. Payment gateways such as PayPal charge a fee if they consider that a purchase has been made (3.4% + €0.35 between €0 and €2,500), a concept that is not very clear in CF. And tax also has to be deducted from this amount, according to the tax rates applicable in each country.

Basically, by the end of the process, the promoters of a project can end up obtaining around 30% less than they expected. If you then add the cost of producing and distributing the rewards and different bonuses, and the hours of work invested in keeping the campaign alive (an estimated four hours per day over thirty days for campaigns of more than 12,000 Euros), it is hardly surprising that many of the people we spoke to who had worked with CF platforms are ambivalent about their experiences.

Another issue that came up in our interviews with the crowdfunding platforms was the tax status of the platforms themselves. Another report we consulted shares similar concerns:

The recommendation regarding regulatory platforms that provide a crowdfunding-based service is: first separate them into profit and non-profit, with easier access to non-profit status. In Portugal, for example, this approach provides fiscal benefits to potential sponsors that platforms seek in order to finance their operations. For-profit platforms are considered normal businesses and are regulated by general fiscal law.

Another expert suggested the need for:

A tax and VAT exemption so that neither the start-ups nor the financers will have an issue in terms of tax and VAT. Both in the matter of the actual amount contributed, and also when it comes to rewards/perks. A maximum funding amount for the financers and the project could be set to avoid misuse of the crowdfunding system to obtain tax free transactions[12].

Exemption from VAT is still a matter to be dealt with by the EU Member States, but there is a great deal of confusion among crowdfunding platforms in terms of the applicability of this tax exemption. The German crowdfunding platform Startnext has successfully applied for non-profit status, for example, but other crowdfunding platforms in Germany are using for-profit status even though they function very similarly, and the target group and the design of the projects are almost the same.

Almost all European countries have several levels of sales tax (or value added tax), and since the type of crowdfunding that offers non-financial rewards to co-financers technically involves the sale of services or goods, sales tax is applicable. Most platforms make the project owners

[12] http://www.eenc.info/news/report-on-crowdfunding

aware of the fact that they are responsible for paying the applicable taxes. However, the details are not always necessarily clear-cut, particularly for the project owners.

Several factors make the calculation of the appropriate tax rate difficult.

Firstly, while the initiator of a crowdfunding project is often an individual or a group of persons, crowdfunding projects can benefit a large range of entities that may have different tax status. Benefactors of crowdfunding projects may be non-profit organisations which are exempt from sales tax unless they undertake a commercial transaction, for example, or they may be individuals with earnings below the sales tax threshold, or individuals or companies who have an obligation to pay sales tax.

4.2 Key Issues for Free Culture

Free Culture and CF

As we have seen, some platforms have introduced what we consider to be a very interesting notion of "return": social return. It makes sense that a type of financing such as CF, which expressly appeals to a "community" to raise funds, should inherently produce a return for this "community". From this perspective, CF would be a mechanism that not only contributes to financing particular cultural products or objects, but can also generate returns that benefit broader sectors of

society. We believe that there should be a clear distinction between platforms or projects that only favour private returns, and those that promote the common good.

While there are currently no standard parameters to measure the social impact of cultural projects, we can use some of the indicators designed for contexts such as social economics, ethical banking and free culture, in order to evaluate the social returns of crowdfunded projects. Our research leads us to conclude that if public administrations choose to support CF, they should support these types of initiatives by boosting existing platforms and helping to foment the common good. Free culture projects and objects always emphasise the value of culture beyond the private sphere. It would be interesting to integrate this way of thinking into CF platforms with micro-shareholding investors, in order to create investment systems that do not just generate private returns but can leave a more fertile ground.

The role of public administrations in CF

Public administrations should support platforms that generate social returns through the projects that they host. The Free Culture movement has defined standards and developed licenses, and put a lot of time and effort into thinking about how to strengthen processes that can contribute to the creation of collective wealth rather than individual profit. All of this knowledge and experience can be a very valuable resource to draw on when thinking about the relationship between public bodies and CF.

We believe that public governments should only support and reward platforms that promote transparency and financial accountability for the projects that they host. They should work towards strengthening democratic principles such as transparency and financial accountability, lead by example, and contribute to ethical, sustainable CF models. Given that CF, by its nature, seeks community support, it can only do so from a position of total transparency.

Public organisms should not design or implement their own CF platforms, given that such a step would be clearly detrimental to established platforms. A regulatory body should issue quality and transparency certificates so that users can identify platforms that are of public interest and provide social returns, as opposed to commercial platforms. But public administrations should not take on the role of managing crowdfunding themselves They should help platforms to grow by investing in their development and robustness, but never in the projects that they host.

Public institutions – more specifically, regional and local governments – can promote this type of crowdfunding by reducing the tax burdens for investors, promoters, and the actual platforms. This would be one way to immediately mitigate the lack of a satisfactory patronage law and the increase in the VAT rate in Spain, for example.

Meanwhile, once a secure legal framework for investors has been set up, public institutions will be able to promote connections between investors and users of CF platforms in order to strengthen the market and boost the use of CF for new cultural production. Lastly, CF platforms also need support in order to improve their technical structure and increase their efficiency.

4.3 Policy Recommendations

To conclude, we would like to set out a series of reflections and general recommendations in regard to the CF phenomenon. While our study has found that CF is a viable financing mechanism, we have also found that the current legal framework discriminates against many projects, and that CF is not the ideal funding framework for all projects at present. More experimental or less media-friendly projects, or projects that do are not aimed at producing an object, are at a clear disadvantage. In this sense CF cannot replace public grants or government support for culture, and neither can private investment. A desirable outcome would be to work towards the harmonious integration of the three financing systems.

The study has found that CF works well for projects that have their own community or a high level of media visibility. Initiatives that lack this visibility for economic or social reasons will always be marginalized within these types of fundraising systems in which popularity plays such an important role. In the current legal and, particularly, tax framework in Spain and Europe, CF ends up imposing a clear limit on the magnitude of projects that can be funded. We should bear in mind that the US initiatives that raised over a million dollars (this amount has never been achieved in Europe) were mostly products that did not require that amount – they needed much less but their market price was greater than the funding goal required from donations. In this sense, they can be considered examples of successful pre-sales. Film projects, large theatrical productions and similar initiatives have a much harder time managing particular funding frameworks and will continue to do so until there is a secure legal and tax framework that allows financial returns for private investments.

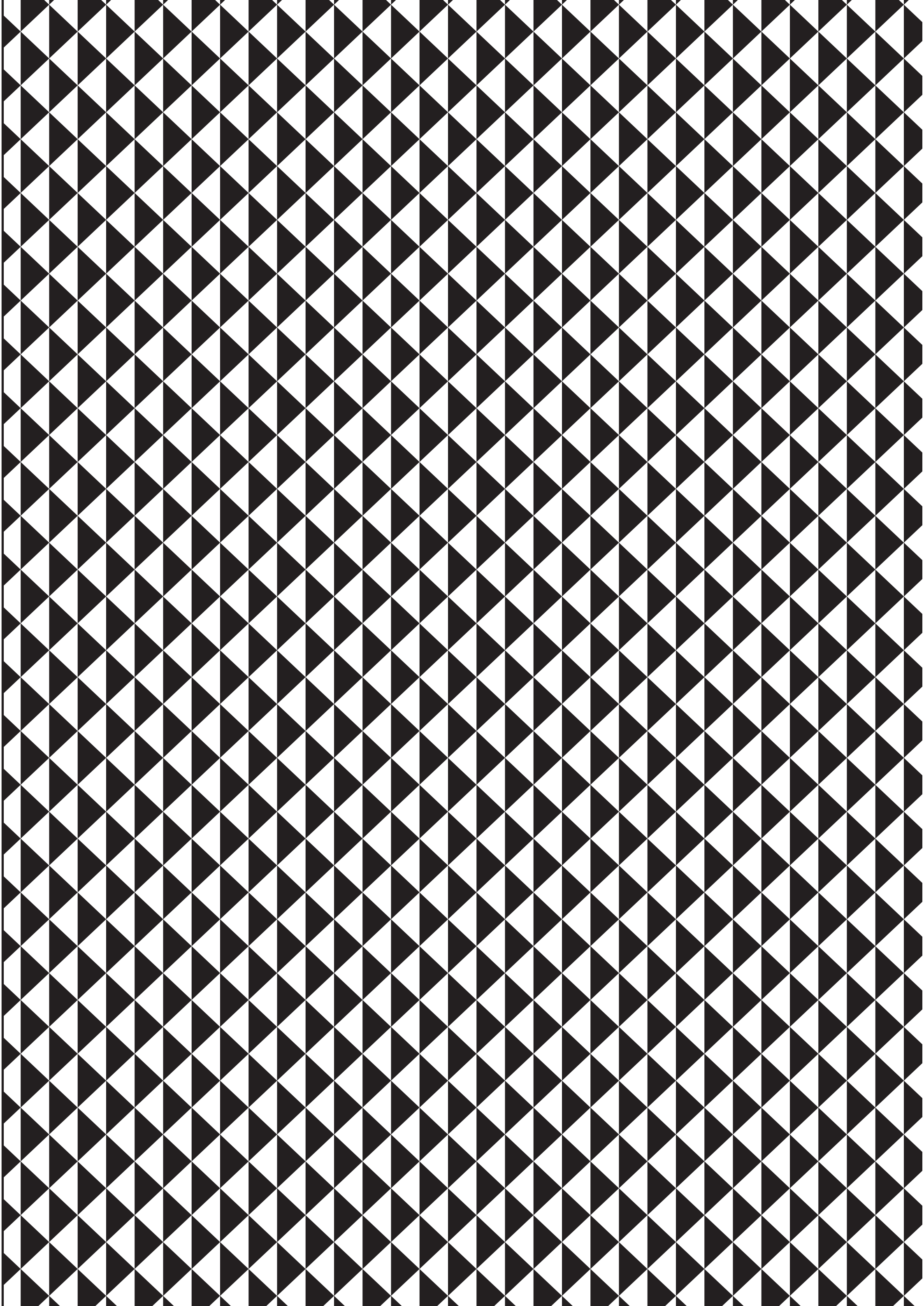
The main problem for CF in the European Union is the tax iniquity that it entails, given that existing regulations for these types of platforms fail to consider the risks and the value of these initiatives. This in turn makes it difficult to develop platforms that allow private investment in cultural projects and limits their number and size, particularly as they depend on very specific communities that end up being burned out.

Another problem is the lack of a clear framework in regard to micro-shareholders, who would be key to ensuring that CF can potentially raise funds that are not just sourced from income from work, but can also include financial capital. We think it is very important to develop an appropriate legal and tax framework that allows and stimulates private investment in micro-shareholding projects. This could go some way towards solving the problem of community and patron burnout mentioned above.

It is also important to conceptualise the idea of social return and define it more clearly. It should be one of the key concepts behind CF platforms, given that CF "asks" communities for funds, and should thus automatically integrate broader social returns. The parameters that public administrations currently use to measure the impact of projects are not appropriate for CF and do not meet the requirements of the digital age. We believe that the experiences of free culture and ethical banking can be useful because they are much closer to the new reality. A clear definition of the category of social return is key to preventing CF from becoming simply a pre-purchase system, and to allow it to become an efficient tool for funding projects that aspire to having a greater social and cultural impact.

CF will never be able to replace the public funding of culture. It complements existing forms of financing and promotes new ones. The creation of publicly funded CF platforms would clearly be detrimental to existing platforms[13]. Public CF platforms would be unfair competition for these platforms and would eliminate the cultural diversity that they generate. If cultural institutions were to decide to use CF directly instead of supporting existing platforms or encouraging new ones, the result would be a kind of cultural co-payment. This is uncalled for and does not make sense, because it would use scarce public resources to compete against cultural entrepreneurs. Public CF platforms would be asking citizens to invest in allowing the institution to continue to exist, when citizens are already paying taxes for this purpose. This study suggests that public administrations that aim to generate a positive, sustainable relationship with CF should support platforms that have clearly demonstrated their effectiveness, incorporate best practice manuals, use the knowledge produced through free culture, and generate social return indicators.

[13] An interesting alternative worth looking into is CrowdCulture, a platform that operates alongside the Stockholm municipal culture programme that matches with public grants the funding of projects that are successfully crowdfunded http://crowdculture.se/en



5. Access to Archives in the Digital Domain

In this section we analyse the challenges that memory institutions (public archives, museums, and documentation centres) in Europe and elsewhere face as a result of the desire to provide online public access to digitised cultural content. Online public access to digitised heritage resources is one of the key elements of the emerging Free Culture movement and a prerequisite for a range of cultural, social and market-oriented services that can only emerge and become self-sustainable once such public resources have become available. We explore this potential, look at the obstacles that currently block this potential, and offer possible solutions.

Below, we present four case studies of different types of organisations and initiatives that are active in the field of memory institutions. The case studies are followed by a general analysis of the challenges that these memory institutions encounter in their attempts to provide public online access to their resources, the main obstacles in their way, and recommendations on how to resolve them.

This analysis is informed by discussions before and during the public debate “The Economies of Sharing”, which was jointly organised by members of the CIMPA project and the conference editorial team as part of the 3rd Economies of the Commons conference. In our analysis

we also draw on the unique insights gained through the Images for the Future project in The Netherlands, which is one of the largest cultural heritage digitisation projects in Europe and has been implemented over the past six years.

The arguments and recommendations that we present here are based on the situation of audiovisual archives and other memory institutions that are in the midst of a process of change, and the practical experiences of professionals working in the field. These arguments do not necessarily reflect the opinions of all of the people involved in the initiatives we have studied. Rather, our aim is to connect the ongoing debate in the field of memory institutions to our discussion around how to enhance and stimulate the fruitful development of Free Culture.

Images for the Future, Netherlands

Introduction

In this project, four Dutch organisations joined forces to save a significant part of the audiovisual heritage of the Netherlands (the archives of the Netherlands Institute for Sound and Vision in Hilversum, the EYE Netherlands Film Institute in Amsterdam, and the National Archive in The Hague) through conservation and digitisation. The aim was to make the material available to professionals, students and educators, and to the general public as broadly as possible. Financial support for this action was provided by the Dutch government. Images for the Future[1] is one of the first large-scale digitisation projects, although a variety of similar initiatives are being undertaken or planned in other European countries.

The original Images for the Future plan was based on a simple principle:

> *The starting point of this project is to enable broad availability of audiovisual material for everybody. Access won't always be for free though. Apart from copyright issues this has to do with balancing the wish to limit the demand on public funds (by letting users pay for access) against the importance of making the material available as broadly and easily as possible. [Project Plan Images for the Future (2006), p.7]*

1 http://imagesforthefuture.com/en

The Images for the Future project has three key objectives:

1 - Saving important Dutch audiovisual heritage of the 20th century. This must be done now, otherwise it will be too late.

2 - Making digital audiovisual heritage available for education, the creative industries and the general public.

3 - Innovating, which will benefit the heritage sector and places the Netherlands at the forefront of digitisation of cultural heritage internationally.

Value production

The Images for the Future project aims to produce the following outcomes:

- Preservation, digitisation and provision of access to 91,183 hours of video, 22,086 hours of film, 98,734 hours of audio, and 2.5 million photos.
- Provision of substantive access to the material (i.e.: contextualisation), especially for educational purposes, but also for the creative industries and the general public.
- Provision of access to a core collection of digital film and audio, either free of intellectual property rights, or licensed under Creative Commons. Educational purposes will be given priority.
- A distribution infrastructure that provides the broadest possible access to the material that has been opened up.
- New services related to the Dutch audiovisual collections for the educational sector, heritage institutions, the creative industries, and society in general.

Public as well as private parties will be able to draw on this large body of digital content to develop activities. The electronic infrastructure and digitised audiovisual content will be disclosed in order to further develop public and commercial services. Accessibility will not be free in every case. In addition to questions surrounding intellectual property rights, Images for the Future is faced with the following trade-off: on one hand, there should be a restriction on general use by making users pay for access; on the other, significant importance lies in providing access in the broadest and most approachable way.

BBC Archives, London

Introduction

BBC Archives[2] holds approximately 4 million physical items for TV and radio. That's equivalent to 600,000 hours of TV content and about 350,000 hours of radio. The New Media archive keeps a record of the content that goes out on the BBC's websites. BBC Archives also holds large sheet-music collections and commercial music collections, as well as press cuttings going back 40 years.

In the words of BBC Archive Development Controller Tony Ageh, the key to the BBC's set up was to ensure that the benefits of the medium could be shared by every single citizen of the UK:

> *The recognised potential of the broadcast medium from the very outset was to transform society and every single person within it. To sustain citizenship and civil society, to promote education and learning, to stimulate creativity and cultural excellence, to represent the UK, its nations and its regions and its communities, to bring the world to the UK and the UK to the world. And in achieving all of these the BBC would 'deliver to the public the benefit of emerging communications technologies and services[3].*

[2] www.bbc.co.uk/archive

[3] Tony Ageh, "The Digital Public Space", lecture delivered for the Economies of Sharing panel, Economies of the Commons 3 conference, Amsterdam, October 11, 2012.

A big challenge that the digital world, in particular the Internet, presents to the BBC is that licensing fees alone are no longer enough to guarantee affordable, universal access to high quality, impartial and independent media – free at the point of use.

Digital Public Space

To ensure the continued ability of the BBC and other public memory institutions to deliver on their primary mission in the digital age, Ageh proposes the development of a Digital Public Space, a public/private partnership that can deliver maximum public benefits, including commercial and market opportunities. This would consist first of all of an arrangement of shared technologies, standards and processes that will be collaboratively developed and commonly applied, and which will deliver a set of principles, objectives and purposes against which collective enterprise can be evaluated. Just like the Internet and also the Web. This can best be understood as a public service layer on the Internet.

The Digital Public Space would create an ever-expanding store of permanently accessible digital media and supporting data – along with appropriate policies, protocols and conditions to enable its widest possible use. Secondly, it would guarantee universally equivalent, public access for all, through an appropriately managed environment designed to facilitate discovery, retrieval, consumption, critique, correction, augmentation and creative endeavour. Shaping such a 'Digital Public Space' will create a roadmap or a blueprint for an emerging digital environment, whose defining characteristics are openness, persistence, engagement, partnerships, access and public benefit.

Value Production

According to Ageh, the assets we hold in Europe have a number of distinctive characteristics:

- There are an awful lot of them, held by thousands of museums, over one thousand academic libraries, and four thousand public libraries in the UK alone.
- These cultural heritage assets are still largely in analogue formats. The overwhelming majority of the material held in Europe has yet to be digitised.
- These combined assets incorporate a remarkable diversity of material – ranging from documents to physical objects, from books to films, from paintings to microfiche. From century to century, from nation to nation, across all layers of society.

All of this material is of high quality and authenticity, collected and catalogued by experts in their field. There's very, very little within our collections that is of no value at all. The potential rewards for success in these areas are huge. Ageh explains:

> *We'd gain a digital-dividend of at least four incredibly valuable things.*
>
> *> First, previously inert materials would get put back into the public domain in digital form with value-adding discovery data appended.*
>
> *> Second, skilled people. Not just for the short-term, but genuine transferable skills that can be applied to other enterprises beyond our national borders.*
>
> *> Third, opportunities to innovate. The freedom to experiment, the freedom to succeed, for commercial gain, but also for the public good.*

> *And fourth, a return flow of funding to reinvest in further digitisation and data processing, producing a continuous supply of new material to inspire a virtuous circle of ideas and innovation.*

Success must also point the way to a new, appropriate rights framework – one that would allow all of these things to happen without degrading or reducing the absolute value of rights and in many cases increasing them. It is about working with commercial and public rights holders to maximise long-term value for all.

Open Images, Hilversum

Introduction

Open Images[4] is an open media platform developed by the Netherlands Institute of Sound and Vision in collaboration with Knowledgeland that offers online access to audiovisual archive material in order to stimulate creative reuse. It allows footage from audiovisual collections to be downloaded and remixed into new works. Users of Open Images also have the opportunity to add their own material to the platform and thus expand the collection. Open Images also provides an API, making it easy to develop mashups.

Value Production

Open Images is valuable because it generates a broader online audience for the archival holdings of the Netherlands Institute of Sound and Vision, a.o. via a strong partnership with Wikimedia NL. The focus on open content comes hand in hand with a focus on open source software for the platform. These techniques are reusable elsewhere in the Institute and by third parties, and as such Open Images acts a feeding ground for other projects.

4 www.openbeelden.nl

Through Open Images, well over 1800 items are now available (± 840 hours), and roughly the same amount of articles use this material. Materials are used in 65 language versions. In 2012, this generated approximately 40 million views. This material, however, constitutes only 0.015% of the holdings of the archive of the Netherlands Institute of Sound and Vision. A more detailed breakdown of these quantitative data can be found on the project website.[5]

Position in relation to IPR / Licensing

Open Images is principally intended for open content and uses the by/share alike Creative Commons licence. This can only be applied to materials that the institute owns all rights to. High-resolution materials remain under copyright.

For Open Images – and the Netherlands Institute of Sound and Vision as a whole – the rights question is dependent on third party rights holders, which are sometimes known and at other times need to be cleared by the Institute's sales department on a case-by-case basis, which in effect constitutes the bulk of their activity. These rights are generally defined by the original rights holder (public or private broadcasters and/or production companies) and are usually restricted, i.e. materials are mostly not in the public domain.

[5] www.openimages.eu/blog/2013/02/20/impact-metrics-increase-in-reach-and-reuse-of-open-images/

The main problem for Open Images is the limited access to the archive because not all rights are available, so a very small percentage of currently digitised materials can currently be made available via the platform (0.015%).

Future plans

Open Images was started in the framework of the Images for the Future project and needs to develop a more permanent basis. To this end, a discussion has started within the Netherlands Institute of Sound and Vision to make the project part of the institute's regular activities, and as such secure its longer-term sustainability.

Open Images is in principle interested in including relevant third party holdings of audiovisual materials within its resources. No standing policy has been defined as yet, so further steps in this direction will be considered on a case-by-case basis.

Fundació Tàpies, Barcelona

Introduction

The Fundació Tàpies[6] is a private foundation that focuses on the exhibition of contemporary art and on hosts the Antoni Tàpies permanent collection. It is currently developing a project called Combined Arts (A Place for Education, Exhibition and Research), a platform for collective work that will allow the Foundation to interact with its visitors, researchers and collaborators, and to share, disseminate and update the content that the museum has generated through all of its activities. This project is being developed in joint partnership with the Universitat Politècnica de Catalunya and the Universitat Politècnica de València, with the financial support of the Ministry of Industry, Tourism and Commerce through its *Plan Avanza*.

Fields of Activity

Combined Arts was launched in 2009 and aims to use the archive as a strategic interface between the institution and its audience. To do so, it has organised a series of talks, conferences and public activities that help to establish this open relationship with the centre's audiences. A website was created to allow audiences to follow the development of the project http://fatwt.beta.upcnet.es/, and to see the status of the different research projects carried out by the institution. The main goal

[6] www.fundaciotapies.org

of this initiative is to release documents, research, texts, artworks and different types of content created during the centre's history, which can be useful for a general audience. This rich database will be treated as a whole new area of the institution, and given equal importance and visibility.

Position in relation to IPR / Licensing

One of the biggest problems encountered whilst designing this project has been the discussions involved in attempting to reach an agreement with VEGAP, a Spanish CMO for the visual arts. The Foundation had reached previous agreements with this entity, given that it manages the rights derived from showing certain works or reproducing images in exhibition catalogues, but in this case the problem stems from the fact that they want to license the content in the digital archive under a Creative Commons license. Combined Arts is a public archive and to make sure that it remains so in practice the Foundation has opted to use a public domain license, to prevent restrictions to access. Despite this, some content needs to be under more restrictive licenses, as it may contain confidential information or content that needs some kind of supervision. The CMO does not recognise Creative Commons as a valid license; this has caused many problems and delays in the project.

Future plans

Fundació Tapies is signing an agreement with Europeana (a multi-lingual online collection of millions of digitised items from European museums) in order to facilitate access to the archive's content. This will have a positive impact on the project, which currently depends

on a single external server to archive all the content. The budget for the project is tight and even though external staff were not hired to implement the project, the Foundation is currently finding it very difficult to continue it without help. Future plans include distributing the archive among different platforms in order to make the project more sustainable.

5.1 Analysis

Recent developments in digital media and technology have brought about fundamental changes to the way memory institutions work and the expectations that audiences have of them. Memory institutions provide many invaluable public functions, such as preserving, researching, describing, and contextualising archived materials. We focus here on the question of providing public access to these materials, building on the enormous potential of new media technologies, which are at the heart of the momentous changes taking place.

In recent years, tens of thousands of audiovisual productions have been digitised in large-scale digitisation efforts throughout in Europe, which have done nothing but strengthen the desire to provide public access to the digitised material. As part of all these European digitisation projects, large quantities of analogue content is being digitised, preserved, restored and conserved. At the same time new content that is included in the holdings of memory institutions is increasingly created as born-digital content or delivered in digital formats. The availability of all these materials in digital from suggests that memory institutions are being transformed into organisations that could theoretically provide public access to increasing amounts of materials without being constrained by time, distance, or physical capacity.

Memory organisations have a lot to offer in this context, given their:

> incredibly rich, structured datasets accumulated over many years, organized by domain

> experts' ability to reach out to audiences to enrich datasets and also carry out evaluations with end-users

> long-standing expertise in metadata management and (co-)curation, authoritative knowledge on a wide range of subjects

This development means that we now have an unprecedented opportunity to radically change the role of memory institutions, and public archival institutions in particular. Traditionally these memory institutions have been primarily tasked with preserving their collections to guarantee long-term preservation of physical objects and provide access for targeted professionals. Now they can become institutions whose primary task is to provide broad public access to digital collections and enable re-use of these collections online, without risking the trade-offs of deterioration of physical copies and originals. Ultimately, this will result in a new understanding of public archive and memory institutions as providers of services to a much broader audience.

Obstacles

In order for public memory institutions to be able to provide long-term, free public access to all their archival content that is available in digital form, two significant hurdles need to be overcome: restrictive copyright legislation and the unintended consequences of balancing public functions with the need to generate revenue.

1. Copyright legislation: current copyright legislation does not sufficiently take into account the changing role of public archival institutions operating in the digital domain. Traditionally, memory institutions can fulfil their public tasks by providing on-site access to their collections, aided by a number of exceptions to copyright; current copyright legislation does not foresee a similar mechanism for online public access. In the digital domain, memory institutions must obtain

permission to make their collections available online even for non-commercial purposes. If, in the digital domain, the task of providing public online access to heritage collections still lies with memory institutions, then copyright legislation needs to provide exceptions to enable this.

Copyright legislation suitable for the new challenges and opportunities offered by digital access should foresee an exception that allows memory institutions to make their collections available online without having to go through the current unsustainable process of obtaining permission from the rights holders on an individual basis. This also requires mechanisms to balance this exception with the interests of creators and other rights holders. The right to make works available online should be conditional on an equitable remuneration and it should be limited to works that have been publicly funded. For all other works this limitation should only apply if the works are not available via commercial channels any more.

2. The second issue is perhaps less obvious, but no less important: In recent years we have witnessed a trend wherein publicly funded institutions are required to generate increasing parts of their operating expenses from 'the market'. In many cases, being able to generate such income is a condition for access to public funds. The combination of public subsidies and market income works for some players in the field (e.g. the bigger museums with renowned collections) and for some of their activities (e.g. exhibitions). However, it is highly problematic when it comes to extending online public access to extensive collections.

After the extensive efforts and significant expenditure that have been invested in The Netherlands and internationally to digitise the public collections of a wide range of memory institutions, only a relatively

small segment of this important cultural heritage is readily available to the public at this time. In many cases, the perception that a certain segment of this material has great market value prevents these memory institutions from making the majority of their collections publicly available. The problem they face is the difficulty of predicting what will be successful in a market environment, while the perception is that only exclusivity of access can guarantee market potential.

Just at the very moment when it is finally possible to make these collections available to the public without the constraints of time, distance or physical capacity, the aim of providing unrestricted public access is hindered by the need to generate income from the market. Instead of making public collections available for everyone without restrictions, memory institutions are forced into a position where they are effectively required to hide them behind pay walls or to sell access to the parts that are of 'economic interest' to third parties. By doing so, these institutions forgo the possibility of providing access for everyone in order to generate what seems to be a very limited amount of extra income. In the worst-case scenario, they invest more funds in creating services that attempt to generate income than they will ever be able to recoup.

The risk of combining the public and the market role is a possible loss of (public) money and loss of audiences, amounting to a huge destruction of value. The value of digitized collections does not lie in the income they can generate by means of selling access, but in the social wealth and cultural value that society creates as a result of having access to our collections, as well as the derivative economic value that people can generate by coming up with new creative uses of these materials once they are truly accessible.

This means that we need to reconsider our approach. Material that has been collected, preserved and digitised with public funds needs to be made available to the public. Subsidising these activities while at the same time expecting memory institutions to generate revenue in the market does not support these institutions in their attempts to fulfil their public task. As long as commercial endeavours lead memory institutions to restrict access to parts of their collections for the sole purpose of meeting 'market' expectations, these institutions are not behaving as public institutions. Institutions that receive public funding should be required to provide unrestricted public access (benefiting from exceptions to copyright as outlined above). Commercial exploitation of public collections should be understood as clearly separate from this public task, which can also be handled by third parties on the basis of non-exclusive arrangements and subject to permission from rights holders. This would preserve the ability of public memory institutions to grant unrestricted public access to their collections.

How to unlock the potential

The two problems outlined above are interrelated. Memory institutions are responsible for carrying out a special mission. We invest public funds in these organisations because we believe that they provide great value to the public that would otherwise not be provided via the market. Public funding is closely related to the public tasks that these organisations carry out, and it is therefore important that these tasks are well defined and well understood.

Interestingly, the same logic that leads to the conclusion that all output resulting from public funding must be available for re-use by the public, is also at the core of the proposal for the amendment of

the European Union's Public Sector Information (PSI) directive that has been put forward by the EU commission. The proposed directive, which has been expanded to include publicly funded heritage institutions, mandates that these institutions make works in their collections available for re-use as long as these are not covered by third party copyright. In doing this, the proposed directive establishes new norms for public institutions: in exchange for public funding they are expected to make their output available for re-use by the public. This move is expected to give an enormous impetus to education in and beyond schools, to create unprecedented possibilities for creative producers of new content to build on our collective memory, and to provide countless opportunities for improved public information resources benefiting society as a whole.

Rather than believing that economic value is created in the digital domain by artificially constricting exclusivity in a context that is built for connectivity, collaboration, sharing and low- to no-cost replication, it should be understood that open public knowledge and cultural resources will largely fuel the cultural economy in coming years. In the networked digital domain, economic and societal value is produced by creating added value, by enriching, selecting, and providing a meaningful context for culture and knowledge resources.

The task of publicly funded memory and archival institutions is to engage in long-term preservation and to provide public access to their collections as broadly as possible. Doing so is expensive and we must ensure that the public funds that are directed towards these tasks are employed in such a way as to maximise the resulting value for society.

This means that, in the digital domain, memory institutions must ensure the public accessibility of all relevant materials, not just those that are (potentially) successful in a market environment. To unlock the potential of digital access, memory institutions need to focus on their primary task of providing public access and enabling society to create value. Memory institutions perform a crucial function as providers of the infrastructures for our 21st century cultural and information economies. Only free and unrestricted access to these public resources can unlock the enormous potential of added-value creation by anyone with sufficient good ideas, creativity and entrepreneurial spirit. In exchange for this, we need to continue to support these public institutions and provide them with tailored copyright exceptions.

This requires all stakeholders to overcome their current approaches. Memory institutions must balance their aspirations to act as market players with their primary public tasks. Governments should cease to make public support for these tasks conditional on the generation of market income. Governments also have to face the need to introduce limitations to copyright that match public access requirements. Finally, copyright owners need to accept that a rebalancing of copyright legislation is necessary in order for the information economy to flourish.

Commons theorist David Bollier has observed that in this context it is useful to consider archives as infrastructure: “In standard economic terms, they are public goods that enable countless ‘spillover effects’, both social and commercial. What’s especially significant about these spillover effects is that they cannot be easily planned and predicted. In fact, that is precisely what makes infrastructure so valuable. No one can predict that some future artist will make a fantastic new film or work of history or song based on an obscure work from a century ago.

If we conceive of archives as vital infrastructure, we can make very strong arguments for their value in promoting culture, commerce and democracy and in enabling literally unimaginable future possibilities”[7].

5.2 Policy Recommendations:

- Establish copyright exemptions for public memory and archival institutions, so that they can make publicly-funded materials publicly available in the digital domain.

- Carry out a broader rebalancing of copyright legislation that takes into account the duration of copyright terms, which is currently restricting[8] the ability of public memory institutions to deliver public benefits.

- Develop business model innovations for digital cultural heritage resources that contemplate the distinction between public tasks and market opportunities.

- Public support for memory institutions should focus on providing the cultural and information infrastructures that enable third parties to maximise market and societal value.

- Support knowledge sharing of open data within the cultural heritage sector and across different sectors (education, research, creative industries).

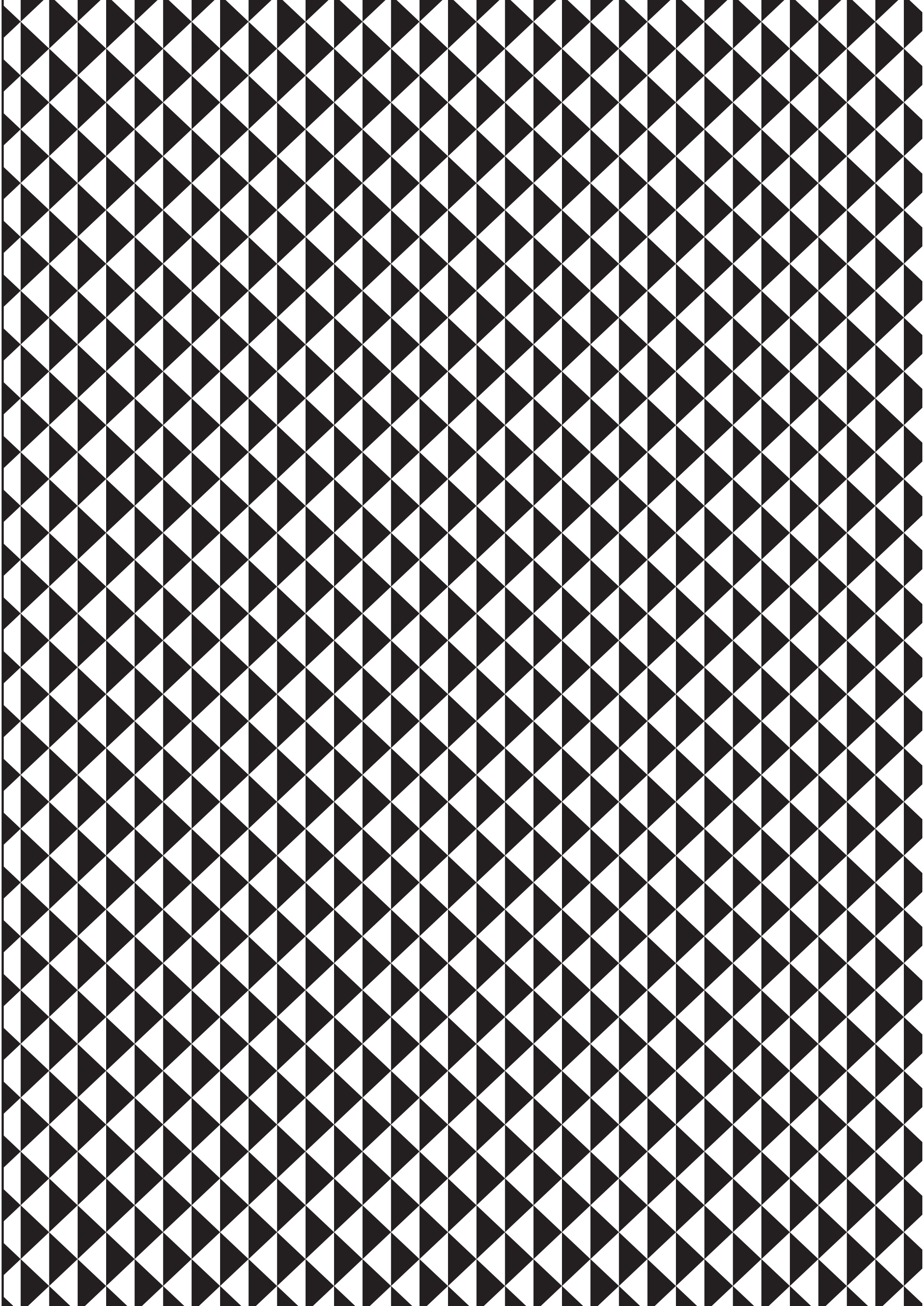
- Investigate new approaches to out-of-commerce works.

[7] David Bollier, “The Great Value Shift”, lecture for the Economies of Sharing panel, Economies of the Commons 3 conference, Amsterdam, October 11, 2012.

[8] Specially through the EU Copyright Directive and its limitations and exceptions section (art.5 and 6(4) of Directive 2001/29/EC)

- Investigate ways to optimise the efficiency of technological infrastructures, for instance by creating infrastructures with a limited amount of storage 'hubs' to cater for the wider heritage domain.

- Enforce the use of open licenses, by making this a prerequisite for obtaining public funding.



6. The Landscape of Independent Spaces

The concept of Free Culture has generally been associated with purely digital technologies and virtual spaces for collaborative production. However, we can currently see that a great part of cultural, artistic and scientific production takes place in shared physical spaces that operate as hubs, where artists, creators and civil society groups share resources in order to achieve a diversity of results. Artists collaborating in such places use digital technologies extensively to share information, to document the creative process and to disseminate the results of their work. At the same time, the physicality of the space plays a crucial role, as it operates as a socialisation and bonding factor that makes the collaborating teams more cohesive and lasting. It is important to note that in each of the cases studied the reasons behind the use of a common space and the operationalisation of the space are substantially different and have different implications.

These spaces are hubs in which different social groups and individuals can gather, share knowledge and tools, and produce intellectual works of different types. Such open spaces are crucial for the formation of free culture constellations, since they enable knowledge sharing and expose participants to new ideas while giving them the opportunity to have a direct experience of the commons. The individuals making use of such shared spaces can benefit from the commons and contribute back to

them, but are also able to meet face- to-face, form groups and engage in both civil society and entrepreneurial activities. As these individuals share knowledge and resources, hybrid forms of ownership that mix the commons and private property tend to form, and the ways in which value is created is in most cases totally unlike the traditional system of Intellectual Property Rights exploitation.

IPR and real property

Perhaps the most interesting finding from the case studies is the fact that even when the value produced is related to material that is traditionally linked to Intellectual Property Rights, it is not dependent on them. As a result, IPR is more likely to appear as a nuance rather than as a factor of value production in these types of spaces.

Accordingly, the policy recommendations arising from the analysis of the case studies focus on regulatory issues that transcend the classic divisions between Intellectual and "Material" property. In addition, they also take into account issues related to the overall environment within which artists operate, in relation to the financing of artistic activity as well as the taxation of different corporate forms.

Value sources

The key sources of value stemming from the each of the case studies differ, largely depending on the key functions of the project in question. For instance, in the case of Empros, which is an artists' squat, the main value production has to do with the benefits arising from the use of an otherwise closed physical space, whereas in the case of Frown Tails the

main value is community engagement and the creation of a dedicated audience. In these two cases which are extremely different in terms of their funding sources and current sustainability models, we find that their value is not necessarily monetary for different reasons, and that positive external factors are involved in both cases. However, two projects are differenciated from the rest: FabLab and HackerspaceGR are linked with an international network of similar organisations which makes them less dependent on any public intervention or policy. On the contrary Empros and Kinisi Mavil do not have any legal entity and remain largely dependent on governmental regulatory interventions.

The main element of innovation that emerges in open spaces has a lot to do with the concept of chance encounters and the practice of openly sharing resources, particularly through open licensing schemes. Thus, in the case of SomeOfNine for example, the innovative aspects are a result of different artists coming together and collaborating in order to produce not only products but projects as well. Similarly, in the case of Kinisi Mavili, the availability of a theatre open to all kinds of artists and the organisation of public talks stimulated the creation of new works (e.g. new theatrical productions) and gave rise to new groups (such as Frown Tails). Finally, in cases such as HackerspaceGR, developers that have met at the open space have gone on to create StartUps based on Free/Open Source Software and have made links with other groups (such as Frown Tails). In both HackerspaceGR and Frown Tails, the funds required to run these open spaces come from fees to attend events or participate in educational programmes. Furthermore, the publicity that events of this kind attract has led to the commissioning of other works or projects by other institutions. For instance, Frown

Tails have been commissioned by other organisations to present their work (e.g. Art'n'Sports SA has worked with Frown Tails in different artistic projects).

The value of physical space

In all the cases studied, the physical space operates as a fluid space which becomes open or closed depending on the function it performs and the value chain that is to be created. Thus, Empros theatre becomes an open space for performers, artists, directors and audiences, whereas Frown Tails and HackerspaceGR operate as fee- based places with various forms of membership, which try to link the city with Greek and foreign creators and bring them together in a shared approach to cultural production within Athens and beyond. Meanwhile, SomeOfNine creates a shared space where architects and designers can meet, develop ad hoc projects and participate in the production of communal works that are submitted to international competitions like those of any other commercial project. There are positive externalities in such collaborations, given that other creative projects may be produced. But in the case of SomeOfNine the main engine behind the initiative is the reduction of costs that comes about from renting a shared space in central Athens and from using a single architectural licence to participate in architectural competitions. Finally, in cases such as Frown Tails, the physical space is sometimes open, such as when free events are organised, sometimes it requires payment of a fee, and sometimes it is used for workshops either with or without a fee. In all cases, content flows freely and the fee is for accessing the physical space, i.e. the closed or semi-closed nature of the physical space funds the openness of the digital space.

Crossing Spaces- Domains and Scales

Another very interesting aspect is the way in which all such spaces create links between open spaces in different countries but also between different types of organisations. In this sense they act as bridges that connect different institutions and individuals and hence encourage creative production. More specifically, HackerspaceGR and FabLab Athens are parts of a greater network of organisations that share knowledge and expertise at a global level, while creating links with very local almost-communities. This is also true for initiatives like HIVE, but also non-space based organisations that have an international scope.

In addition, these organisations also engage in cross-disciplinary linking. This is particularly relevant in cases such as hackerspaces around the world, for example, which bring together software developers, lawyers, hacktivists and artists, and also formal and non-formal educational scenarios. In our case studies, this is particularly apparent in the case of FabLab Athens, which links to organisations such as the Technical Chamber of Athens and the Greek Free Open Source Software Foundation, which are constituent members, and also to the National Museum of Contemporary Art and the Hakerspace group.

Education and knowledge transfer are also important elements, which act as the "glue" that brings all of the above dimensions together. This is something that we found particularly in projects such as Art Laboratories (e.g. in Berlin and Paris), Hackerspaces, and Artistic Squats (e.g. Empros and Random Artists). Education operates as a generator of new ideas, but also requires access to material that is often extremely expensive to access and hence difficult to obtain. This means that these groups, which often don't have any legal entity, lack access to basic resources,

both financial and cultural/knowledge-intensive. As such, they either have to collaborate or partner with more established organisations or to use materials that may infringe Intellectual Property Law.

This situation highlights the need to open up memory institutions, both in terms of how they handle their IPR and how they relate to local communities and informal education and shared-space activities. This will allow the sharing of common resources and enhance social and economic production both at the local and the international level.

Case Studies

In the following section, we present a range of international open space projects, including four that are based in Greece, although they form part of a greater network of open spaces (e.g. HackerspaceGR and FabLab Athens).

Empros, Athens

Introduction

Empros Theatre is a squat project that was founded by Kinisi Mavili (Mavili Movement) and has occupied a historical building in downtown Athens, Greece, since November 2011. Empros operates as an avant-garde theatre and performing arts platform, but also as a space for theoretical discussions and community involvement. Empros is seen as an open hub for creative people in downtown Athens and as a way of linking the local community with artistic and urban interventions. It is currently in a transitional phase from a squat to becoming a legal entity, although no final decision has been made. The building, which was an old printing house, and the theatre, which was a very successful avant-garde theatre in the 1990s, have a strong ideological significance. The Theatre was run by Kinisi Mavili members but has gradually moved toward a more open governance model, in which a general assembly and the different working groups are expected to play a more active role. Empros is self-described as an artistic rather than anarchist or politically-driven squat, although the opinions of different members of the community may vary on this subject.

Fields of activity

Empros is an open artistic platform that seeks to increase community engagement and participatory artistic production of avant-garde performing arts. To this end, it employs digital technologies and

community structures to organise and allocate time and space to creative people. Its key fields of activity are as follows:

> setting up and running working groups on specific areas relating to performing arts and theatre

> managing an open internet calendar where specific events are proposed and then implemented by those making the suggestion

> creating links with the local community

> creating links with international institutions such as Teatro Vallo (http://www.teatrovalleoccupato.it/) and MACAO (http://www.macao.mi.it/), through mutual visits and the transfer of cultural practices and know-how.

> creating artistic interventions relating to the commons and the use of shared arts and culture spaces

Value production

Empros is located in a building that according to the Ministry of Culture is owned by the Greek agency responsible for the management of all state-owned real estate, the Public Real Estate Corporation (ETAD), though disputes over ownership have recently (late 2013) emerged.). The Ministry of Culture, Education and Sports is theoretically responsible for all arts initiatives in Athens, and representatives of the Empros general assembly have often participated in discussions with the Ministry, though it is not the legal owner of the building. Electricity and water are supplied by the state without formal permission and hence there are no costs other than the very low general maintenance costs.

The relationship with Greece's privatisation agency TAIPED and the Ministry of Culture is rather ambivalent, with ETAD often intervening and attempting to evict the artists from the Theatre.

The main type of value produced stems from the use and sharing of a physical space in the form of a commons, for the purpose of engaging in artistic activities. These are documented but only partially released on the Internet, mostly for technical reasons.

The large number of events that take place at Empros proves that there is a great need for a space where not only young emerging artists but also more established artists can experiment with new forms of art without high costs or artistic restrictions. It is difficult to assess and quantify the levels of innovation in artistic production because of the ephemeral nature of the work and also because there is no comprehensive attempt to make this material available online.

The Empros initiative has also had a positive impact on the surrounding area, which has greatly benefited from the artistic production taking place in the formerly abandoned Empros building.

There is no fee to attend any of the events programmed at Empros, and all events are freely recorded. Some minimal costs are covered through a donations box in the Empros bar.

At the individual level, greatest value has to do with the fact that artists are able to showcase their work, share resources and then obtain benefits from any subsequent commercial activity that takes place in spaces and contexts other than Empros.

Position in relation to IPR / Licensing

No licensing scheme or rights transfer agreements exist between the artists and the people behind the Empros theatre. While a great number of events are recorded, there is no exploitation or licensing scheme in place, either open or closed. This is mainly due to the fact that creative works are produced and consumed in the physical space, with no monetary exchanges taking place. Any necessary monetary exchanges take place outside of Empros. Participants to the events often make a contribution in kind (e.g. food, drinks, material) and there is recent discussion (late 2013) of releasing the entirety of the Emrpos artistic squat archive under Creative Commons licences.

FabLab and FabLab Athens

Introduction

FabLabs are Fabrication Laboratories that offer space and equipment for personal digital fabrication on a small scale. They also encourage close collaboration and integration with local communities, offer educational activities, and explore ideas of openness in relation to information and to physical spaces. In addition, they are involved in developing an international network of similar organisations, thus creating an ecology of open spaces. The first FabLab was founded in 2001 as an academic program at the Massachusetts Institute of Technology (MIT) Media Lab, in the form of a collaboration between the Grassroots Invention Group and the Center for Bits and Atoms (CBA).

FabLab Athens is a Greek platform for the development of Digital Fabrication Technologies. It was set up in 2013 and is part of the international network of fablabs. It explores how Digital Fabrication, Information and Communication Technologies applied to different disciplines can create more efficient economic, social, production and education models in different local contexts in Greece and beyond.

Fields of activity

The objectives of FabLab Athens are:

> to test and promote new economic, social and educational models in the local context of Greece and in the global scenario of the 3rd Industrial Revolution and crisis societies

> to organize activities, research and educational programs related to science in the fields of production, design and communication (New Materialities/Internet of Things/Automated Construction/Real time Data/Smart Cities/The Science of DIY/Collective Innovation/Open Source Design and more)

> to create an Open Lab that is accessible to local people, professionals, researchers, students, children and anybody interested in learning and testing the uses and applications of digital fabrication technologies.

The **FabLab Athens** project works with the following partners:

> The National Technical University of Athens (NTUA.), the host organization

> The TEE (Technical Chamber of Greece)

> MyCity.me , anon profit organization

> Greek Free / Open Source Software Society (GFOSS), a non profit organization

> The P2P Foundation Greece

Each FabLab has a different orientation depending on the objectives of the group of stakeholders involved in its creation and sustainability. Given the nature of its key partners, particularly the Free Open Source

Software Society and the Technical Chamber of Greece, FabLab Athens is very much focused on the principles of openness and producing societal value.

Value Production

FabLabs do not generally aim to produce value through the packaging and exploitation of industrial property or copyright, but through making tools, processes and quality control protocols available to potential inventors and fabricators. Both social and economic value is produced through the provision of infrastructure, tools and knowledge to individuals who come together as a community.

In general, FabLabs abide by the following principles that reflect their values:

Access

The idea behind access is about allowing participants to fabricate almost anything. However, it is important that individuals use this access to equipment and knowledge to make things themselves. The access to the physical space is particularly crucial.

Responsibility

FabLab participants undertake tot respect the values of safety, cleanliness and maintenance at the FabLab

Education

Learning is a core value for FabLabs, although there is flexibility as to how it is used by different types of users, e.g. commercial and non-commercial users. Each FabLab has its own approach to dealing with different types of users, but as a general rule ideas and documents are shared through the Project Forum.

IPR Agnosticism and Guaranteed Minimum Open Access

The way participants handle IPR produced as a result of their participation in the FabLab remains open, but they are expected to respect a minimum of open access to the content, ideas and resources.

Business

Commercial activities can be incubated in FabLabs, although they must not be in conflict with open access and should grow beyond, rather than within, the Lab. They are expected to benefit the inventors, Labs and networks that contribute to their success.

As mentioned above, different FabLabs have different types of value priorities, some leaning more towards incubators and others more towards cultural and creative spaces. The Athens FabLab is mainly geared towards providing access to fabrication equipment for social and educational purposes and allowing SMEs to develop fabrication know-how that will be useful at a time of crisis.

Position in relation to IPR / Licensing

By and large, FabLabs are agnostic with regard to the exploitation of IPR, although some minimum conditions apply:

> the hardware and software used tends to be as FOSS as possible. Primarily in order to ensure the sustainability, replicability and openness of the FabLab.

> unless there is a specific agreement to the contrary, all documents, processes and designs produced within a FabLab must remain open at least in terms of minimum open access

> participants are encouraged to develop alternatives to mainstream manufacturing business models, primarily through value-added services for open technologies

The main sources of funding for FabLabs are:

> consulting services

> customised training services

> customised consulting services

> funding from public and private bodies

First-level support and fostering of the community is open and free of charge. There is a strong emphasis on the provision of training and learning by doing.

Being part of the international network of FabLab organisations and the FabAcademy is also a potential shared revenue stream through paid lessons on digital fabrication.

Future Plans

FabLabs develop in different ways in different jurisdictions. At the international level, the key objective of the organisation is to further expand and develop its national projects network. This is to be done through collaborations as well as the provision of further assistance in setting up and running a FabLab. FabLabs do not operate in the same way as Creative Commons or Open Knowledge Foundation projects, in which some form of MoU exists between the headquarters and the local hosting institution. Rather, FabLabs follow a specific set of conditions, from manufacturing equipment to implementing standard procedures, and a range of activities that allow local FabLabs to obtain a good rating.

The Athens FabLab aims to run an increasing number of teaching activities and to collaborate with other open spaces such as HackerspaceGR and Frown Tails or even bigger institutions such as the Onassis Cultural Centre (OCC) and The National Museum of Contemporary Art, in order to produce more educational events and further support its operations and expand its activities. It also aims to use only FOSS and open technologies and data, and to only allow business models that do not hinder access to knowledge. In 2013 FabLab Athens in collaboration with the National Technical University of Athens (NTUA) initiated the [HUM]erus project. The main concept is the creation of a small scale robotic arm, elaborated within the framework of open hardware, meaning that the project's design information will be available to and usable by the public in a way that allows anyone to make, modify, distribute and use it. FabLab Athens is exploring ways in which the [HUM] ERUS project can deploy open licensing schemes in order to create a worldwide open hardware and manufacture community.

Frown Tails, Athens

Introduction

Frown Tails[1] is an non-profit organization that was formed in 2010 by Maria Varela, Konstantinia Vafeiadou, Angeliki Hatzi and Marianna Christofi. The four founding members come from different backgrounds (computer science, media, art) and have diverse skills which come together in a platform targeted at artists interested in engaging in different media techniques. Their interests lie in the fields of interactive media and performance art. The aims of Frown Tails are to engage audiences in new media and new artistic approaches, to encourage audiences to interact with artistic products, and to connect to the methods and practices of artistic media.

Value production

The key sources of value production are fees for participating in the workshops and attending some of the talks by Frown Tails ambassadors.

There is no use of IPR licensing as a tool for making money. In any case, FOSS and Open Content licences are given preference.

Donations are also used as a form of revenue collection but its success is rather limited.

1 http://www.frowntails.com/

Crowdfunding platforms have been used in order to collect funds, but with limited success.

Fields of activity

Frown Tails is a cultural platform that aims to introduce new media artists and performance artists to Greek audiences and to provide a platform for artists who wish to collaborate and create new forms of art, often with the direct involvement of the audience.

Frown Tails also provides equipment, technology and training to artists or audiences who wish to engage in new media creative activities.

Finally, Frown Tails create publications related to their creative activity and are interested in exploring the social implications of their artistic practices.

More specifically, Frown Tails are involved in the following activities:

- Hosting performances
- Offering workshops on the use of open source software and open hardware technologies that may be used by people interested in creative activities. Their digital media and creative technologies seminars and workshops focus on creative applications of technology. No prior experience in code/programming or electronics is required, and they primarily address those wishing to experiment with digital media and tools, and with coding capabilities on physical objects.
- Offering workshops on specific types of crafts, mainly sewing, woodcarving, mosaic making etc.

- Inviting artists to present their work and engage in a creative dialogue with the audience through the Ambassadors programme, which focuses on presentations by media artists on their projects. Each guest artist presents his or her own work and starts a direct dialogue with the audience, encouraging empirical familiarity with artistic products.

Position in relation to IPR / Licensing

Frown Tails is largely dependent upon the use of open source software and hardware for the workshops and training it offers. In particular, it uses GPL licensed software[2] or open hardware, such as Arduino.

It is very expensive and difficult to gain access to scholarly documents due to copyright restrictions and because Frown Tails cannot subscribe to the big academic databases available only to universities.

Frown Tails does not impose any IPR-related conditions on the artists who perform in its premises, and its revenue model does not depend on IPR. Frown Tails is considering using Creative Commons licences for its own e-publications, but has not decided on the most appropriate licensing scheme as yet.

Frown Tails is currently collaborating with Creative Commons to create educational programs with artists and designers on the use of open licensing and FOSS tools to assist them in their creative practices.

[2] Such as Gimp http://www.gimp.org/about/)

Hackerspace GR, Athens

Introduction

HackerspaceGR[3] is an open space located in the centre of Athens that focuses on developing open technologies – both software and hardware –, running seminars on open technologies, and nurturing a community that supports the aims of openness, reuse and learning. It was set up as a de facto group in 2010 but only acquired legal entity in 2013, primarily in order to be able to accept donations.

Fields of activity

HackerspaceGR is particularly active in the area of open hardware and open fabrication but it is also quite active in the free/open source software area, particularly in relation to teaching Linux systems administration and open source software tools for web development. HackerspaceGR benefits from the links between its members and various other organisations such as the Greek Free Open Source Software Foundation, HIVE Athens and Mozilla Foundation. HackerspaceGR has also collaborated with other collectives closer to the field of art, such as Frown Tails, in order to co-organise courses on Arduino or open manufacturing techniques. There seems to be an increasing demand for such seminars which are organised on a regular basis and are attended by persons from different backgrounds and with varying levels of

[3] http://hackerspace.gr/wiki/Main_Page

expertise. Hackerspace is currently looking for possibilities of further clustering with other open spaces in Athens, such as Collab, FabLab Athens, GFOSS and Radiobubble, but no agreement is in place as yet.

Value Production

The key value for HackerspaceGR is the creation of a sustainable community that is able to produce open technologies and become capable of reproducing itself. As described by the HSGR vision, its core values are excellence, sharing, consensus and a do-ocracy.

This philosophy is reflected in its main activities and the ways in which it has evolved over the years. More specifically, HSGR has devoted its initial development to building a solid network of people who are willing to support the organisation and address its material needs irrespective of any external source of funding. In practical terms, this has meant that from the very beginning there was a membership fee (of about 60 Euro per month) to cover HSGR's operational costs. This fee also showed that the members valued their participation and were willing to pay to sustain the organisation. This approach did not block access to the HSGR physical space, but people who wanted to use it and the materials for manufacturing items on a regular basis were required to become HSGR members.

The idea of self-sustainability and reproduction was also behind the strong emphasis on educational activities and the acquisition of 3D printers with the ability to replicate themselves. Finally, the creation of an extensive network of collaborations – initially at a personal level,

and gradually through the legal entity of HSGR – offered the project the opportunity to mature and also to seek sources of funding other than the original system of membership fees.

The projects that HSGR chooses to get involved in are always related to open technologies, licences and data. The HSGR statutes explicitly state that no closed technology will be used as a source of funding, and that no closed technology will ever be developed at HSGR. Lastly, the HSGR team, which consists of three core people and 20 members, are very careful to ensure that they grow in a slow and organic way, so that the organisation does not over-commit or get involved in projects that are against its core principles.

Position in relation to IPR / Licensing

HSGR is committed to the use of open licences on three levels:

> software: they primarily use GPL and BSD only when needed, but are aware of the different licensing types. Other licenses may be used if they come with a specific product, as long as they are open.

> hardware: they use designs that are mainly licensed under Creative Commons licences. They have not been involved in open hardware licensing projects and have a limited understanding of how this licensing structure works.

> content: Creative Commons Attribution or Attribution ShareAlike 3.0 or later is the main type of licence used.

> data: HSGR does not have much of its own data, hence no relevant licensing issue has come up as yet.

Overall, the organisation does not specifically focus on licensing, only to the degree that it assists it in achieving its goals. On the other hand, they understand that licences are important and hence a number of seminars have been organised to explore the the licences that are most suitable for the production of open hardware or the licensing of open source software and content, depending on the objectives of the specific user. In this sense, HSGR operates more as a platform than as an IP owner, and its main concern is to raise the awareness of its members or seminar participants as to what licensing options are most suitable for them.

Future Plans

HSGR's major plans and concerns relate to the scaling up of their activities. They are considering collocation with other free and open communities at a more central space in Athens and to this end they are working together with the Greek Free Open Source Foundation and the Athens Polytechnic School.

HSGR is also working with the Mozilla foundation on a number of educational programmes and on the Firefox mobile operating system. This, together with open hardware and manufacturing, are its core activities. Teaching and learning activities around these priorities make up the next round of goals that they plan to achieve.

Some of Nine, Athens

Introduction

Some of Nine (SoN) is an open space in which architects and designers share infrastructure, equipment and resources in order to reduce costs and engage in collaborative production practices. There is no corporate structure or legal entity behind SoN, it is a fluid organisation where people join or form groups and collaborate on specific projects. The groups disassemble once the projects are over and new groups are formed along with new projects.

Value production

The main sources of value production stem from the reduction of costs and the power of sharing resources, ideas and infrastructure. More specifically:

> the participants share rent, computing equipment, software, facilities and expenses. Project participants may also contribute in kind where additional resources are required for the materialisation of a particular project. There are no additional charges for the use of equipment and infrastructures.

> in architectural projects, not all participants register to pay insurance and social security contributions. Instead, one person retains her licence and submits the proposal in the relevant competitions,

representing the whole group for the specific project, whereas the rest of the group render their licences inactive.

> the IPR of the end product rests with the person(s) appearing in the proposal to a prospective client. There are no agreements or other formalities in place among the members of the group as IPRs have not emerged as an issue of dispute for now.

> the majority of the revenue comes from architectural - construction projects, which is why IPR has not emerged as an issue so far. Besides architectural projects, other innovation-driven projects have also emerged as a result of the co-habitation of creative people.

Fields of activity

The main fields of activity are the production of architectural models and designs, and the implementation of designs and models in actual construction. Some groups have also participated in urban regeneration projects in collaboration with other entities.

Position in relation to IPR / Licensing

> no explicit IPR licensing scheme exists for the licensing of the material produced within the context of SoN.

> FOSS software is being used in order to reduce costs in design work, although they generally use all rights reserved software for their daily tasks.

> they support FOSS but their position is in relation to opening up all their material is by no means clear.

CONSERVAS, Barcelona

Introduction

CONSERVAS[4] is a cultural space located in downtown Barcelona that contributes to social transformation by producing, distributing and managing innovative cultural activities, with a particular focus on social and digital based projects. CONSERVAS has created and produced cultural, artistic and thought-provoking actions since 1993. This multi-purpose performance space promotes experimentation, research, learning and cultural transformations in general. It houses many collectives and groups that advocate free culture, most notably X.net and the Free Culture Forum.

Fields of activity

CONSERVAS has created and produced cultural, artistic and reflection-based activities and events. It operates from a multi-purpose performance space that hosts activities relating to experimentation, research, learning and cultural transformations in general. CONSERVAS collaborates on an ongoing basis with many cultural institutions such as the Centre de Cultura Contemporània de Barcelona (CCCB). CONSERVAS is also a leading voice in Spain on the topic of reconciling Internet rights for citizens, consumers and entrepreneurs.

4 http://conservas.tk/

CONSERVAS also works towards defining and promoting innovative strategies that aim to make cultural practices sustainable and empower the wealth of society in general. The emergence, growth and expansion of free culture as a result of the explosion of digital technology has created an urgent need to re-think existing economic structures for the production, financing and funding of culture. Many of the old models no longer work in the new context and have instead become unsustainable and detrimental to civil society. CONSERVAS contributes to a new digital context in which intellectual property rights are balanced with social needs. CONSERVAS has also been a very active central node in the 15M movement in Catalonia. It has supported and encouraged many initiatives that promote digital democracy and work to achieve greater public transparency.

Value production

In 2008, CONSERVAS started and hosted X.NET, a civil society group that carries out research and works towards a new digital context that strikes a balance between intellectual property rights and social needs. There are 24 organisations and individuals behind this initiative, which began with the endorsement of almost 8000 people.

X.NET also works alongside European cultural promotion and management groups which are currently working on producing public policy and have influenced decisions in the European Parliament, in several EU Commissions and in the Spanish Parliament. CONSERVAS cooperates with several political advisers in order to generate new policy frameworks that take into account the needs of artists and cultural agents in a digital era.

Other free culture collectives use the CONSERVAS space, creating a powerful network that adds value to the space. The space is funded through some of the activities it hosts, and by the different income streams generated by the collectives it hosts.

Position in relation to IPR / Licensing

CONSERVAS organises the annual international FCForum (Free Culture Forum), which has been held since 2009 and has brought together more than 100 participants from 20 countries, as well as 30 observers from different international bodies and organisations. The FCForum is an international arena in which to build and coordinate action around issues related to free/libre culture and access to knowledge. It brings together key organizations such as the P2P Foundation, Free Knowledge Foundation and European Digital Rights (EDRI) and independent voices that are active in the spheres of free/libre culture and knowledge. It harnesses these individuals and organisations and provides a meeting space in which to explore possible answers to the pressing questions behind the current paradigm shift.

Standing up against the powerful lobbies of the copyright industries, the FCForum is a space for the construction of proposals arising from civil society. Its aim is to strengthen citizen positions in the debate around the creation and distribution of art, culture and knowledge in the digital era.

The FCForum has generated:

- The Charter for Innovation, Creativity and Access to Knowledge, a comprehensive legal compendium that has been adopted as a Charter by many organizations around the world. The document covers over 20 years of legal proposals for adapting copyright legislation to the digital era, and was drafted by more than 100 specialists and major organizations from twenty different countries.

- The Manual for Sustainable Models for Creativity, a document that promotes innovative strategies to defend and extend the sphere in which human creativity and knowledge can prosper freely and sustainably. This document is addressed to policy reformers, citizens and free/libre culture activists and offers practical tools to actively bring about this change.

Future plans

CONSERVAS aims to continue to provide a space for social movements to meet and work. The different initiatives it hosts are involved in activities that ensure that the space is always lively and central to political struggles in Barcelona. Its objective is to continue to host these activities and to ensure that the different collectives it hosts are able to access the resources that will allow them to continue operating.

AND Publishing and the "Piracy" Project

Introduction

Devised in 2009, AND publishing[5] is a platform exploring print-on-demand technologies to publish conceptually driven artists' books. Photocopied or glossy printed, AND defines print on demand as a method, a tool to directly and immediately interact and communicate an idea to an audience. Due to short print runs (starting from one copy), low productions costs and almost no storage costs, AND can develop and sustain an adventurous, inquiring, creative practice without having to compromise and conform to the conventions of a mass market. Through its various projects, AND has a multifaceted existence: it is a platform, an exhibition space and an art collective. AND is located in Central Saint Martins, London, but its projects appear in different physical spaces, that are always open to the public. It is directed by Lynn Harris & Eva Weinmayr.

Fields of activity

In 2011, AND launched AND Public, a framework for the production and dissemination of self-published artworks/books through print on demand. The goal is to piggyback on this automatic process, usingthe low cost, fast turn around and advances in digital technologies to

[5] http://www.andpublishing.org/

extend and self sustain practice. AND is driven by research and collaborative engagement. It is based at an art school and the uniqueness of this creative laboratory provides artistic freedom and head space for experimentation. AND has established its own print-on-demand workshop at Central Saint Martins Archway campus as a flexible and reactive site for multiple roles and functions within the art college.

AND office is small and mobile. A bespoke bookshelf contains AND's current collection and can be seen popping up in locations to explore modes of distribution. Its footprint mirrors AND's technology in that it only prints as many copies as necessary and it only uses as much space as necessary. These decisions are dictated by context, desire, place, time and funds. On AND's online platform AND commissions, publishes, exhibits and distribute artists' books every year based on Calls to Action. AND books may be found at a number of locations demonstrating its nomad nature.

AND's activities involve leading workshops and giving talks. It is also interested in partnering on relevant projects.

Value production

AND Public is supported by Higher Education Innovative Funding and the University of the Arts SEED fund. Its value production is not so much economic as it is artistic and political: to create discourse and question existing discourse around IPR and mass marketed cultural products, as well as notions of authorship, originality and authority.

AND is also producing a number of publications based on print-on-demand technologies that allow the production of books as art objects on demand. The books printed by AND publishing are normally at the

boundaries of what constitutes fair use. Through its artistic practices AND continuously questions the concept of authorship, originality and reproduction. The books sold through the AND network test the boundaries of copyright law as artefacts or contain theoretical work regarding the relationship of the author with the audience.

AND also provides practical training on what constitutes independent publishing and how print-on-demand techniques could be used in order to facilitate independent art publishing.

Finally, AND aims at producing a network of related projects and at sharing both its political vision and practical knowledge with other open spaces and art galleries around the world.

AND events normally include exhibitions, lectures and workshops that investigate the boundaries of copyright and question existing publishing practices.

Position in relation to IPR / Licensing

AND is highly critical of the existing copyright regime and explores the boundaries of public domain, fair use/fair dealing and copyright exceptions and limitations.

The most important activity AND is engaged in with regards to IPR is "The Piracy Project", an international publishing and exhibition project that explores the philosophical, legal and practical implications of book piracy and creative modes of reproduction. Through research and an international call for submissions The Piracy Project has gathered a collection of more than 150 modified, appropriated and copied books from all over the world.

The collection, which is catalogued online, is the starting point for talks and working groups around the concept of originality, the notion of authorship and politics of copyright. The Piracy Project is a collaboration between AND Publishing and Andrea Francke.

The Piracy Project questions the IPR narrative on "piracy" and collects examples of creative and transformative use of existing books as indications of creative rather than illegal work. It is about creating a platform to innovatively explore the spectrum of copying, re-editing, translating, paraphrasing, imitating, re-organising, manipulating of already existing works. Here creativity and originality sit not in the borrowed material itself, but in the way it is handled.

The biggest issues related to the existing copyright regime may be summarized as follows:

> lack of clarity with regards to fair use/ fair dealing/exceptions and limitations clauses

> lack of fair use – exceptions harmonization and the harmonization of copyright limitations and exceptions within the EU27

> no clear liability and infringement rules

> opacity of the idea – expression dichotomy

> need for an art-specific copyright exception

Future Plans

AND publishing aims at becoming increasingly independent and wants to further document and enrich the Piracy Project. It also aims at producing publications that document the experience of

exploring the boundaries of copyright law and what constitutes an infringement as well as what constitutes fair use in different jurisdictions.

6.1 Overall Policy Recommendations

The policy recommendation with regards to independent spaces primarily focus on the need to ensure that collectives of artists with limited resources have access to physical spaces where they can meet and collaborate in order to produce innovative art and new business models. The most interesting aspect of the recommendations is that they consider the problem of IPR as an overall problem of the cultural and creative industry, in which civil society needs to be allowed to play a vibrant role. These open spaces are part of the cultural continuum and it should be possible to connect them with more formal cultural establishments such as archives, museums and libraries if desired by the participants of the open spaces involved. It would appear that once artists leave institutions that have access to such materials, such as universities or research centres, they are cut off from existing literature and new developments in their field as it becomes extremely expensive to have access to such resources. In addition, most of the funding programmes at EU level are either not known to small art collectives or require a substantial investment in time and effort that these organisations cannot afford. Finally, taxation and company formation rules tend to be particularly burdensome for small organisations or art collectives that often prefer not to form legal entities in order to reduce costs and ensure their sustainability. Overall, there is a need for measures to improve access to knowledge and funds, focusing less on tightening IPR protection and more on increasing access to resources that could support both artistic and entrepreneurial endeavours.

Policy recommendations (EMPROS)

- Make provisions for the re-use of spaces belonging to the state for the purpose of supporting creative activities and broader social needs.
- Coordinate funding of cultural and development projects (link cultural development with local development), preventing the gentrification of these areas.
- Encourage low cost association-building for artists and local associations and communities

Policy recommendations (Some Of Nine)

- Create funding models that focus on small design and architectural collectives
- Change building regulations so that they better reflect the needs of their users
- Simplify the national legal accounting system

Policy recommendations (HSGR)

- Introduce FOSS and Open Hardware classes at schools
- Integrate formal and informal education methods
- Lower costs for access to educational material to non-students/non-academics
- Make funding policies easier to understand
- Create tax breaks for collectives

- Introduce specific funding lines for open hardware and open manufacturing

Policy recommendations (Frown Tails)

- Create funding models that focus on small artistic collectives
- Reduce the formalities of EU cultural funding and make funds available to small cultural organisations and start-ups

Provide access to research and scholarly journals to SMEs and art collectives[6]

- Create programmes for collaboration between art collectives and universities
- Connect smaller and larger institutions in grant applications.
- Create special financing models for SMEs and collaborations between artists who do not necessarily have legal entity

Policy Recommendations (FabLab and FabLab Athens)

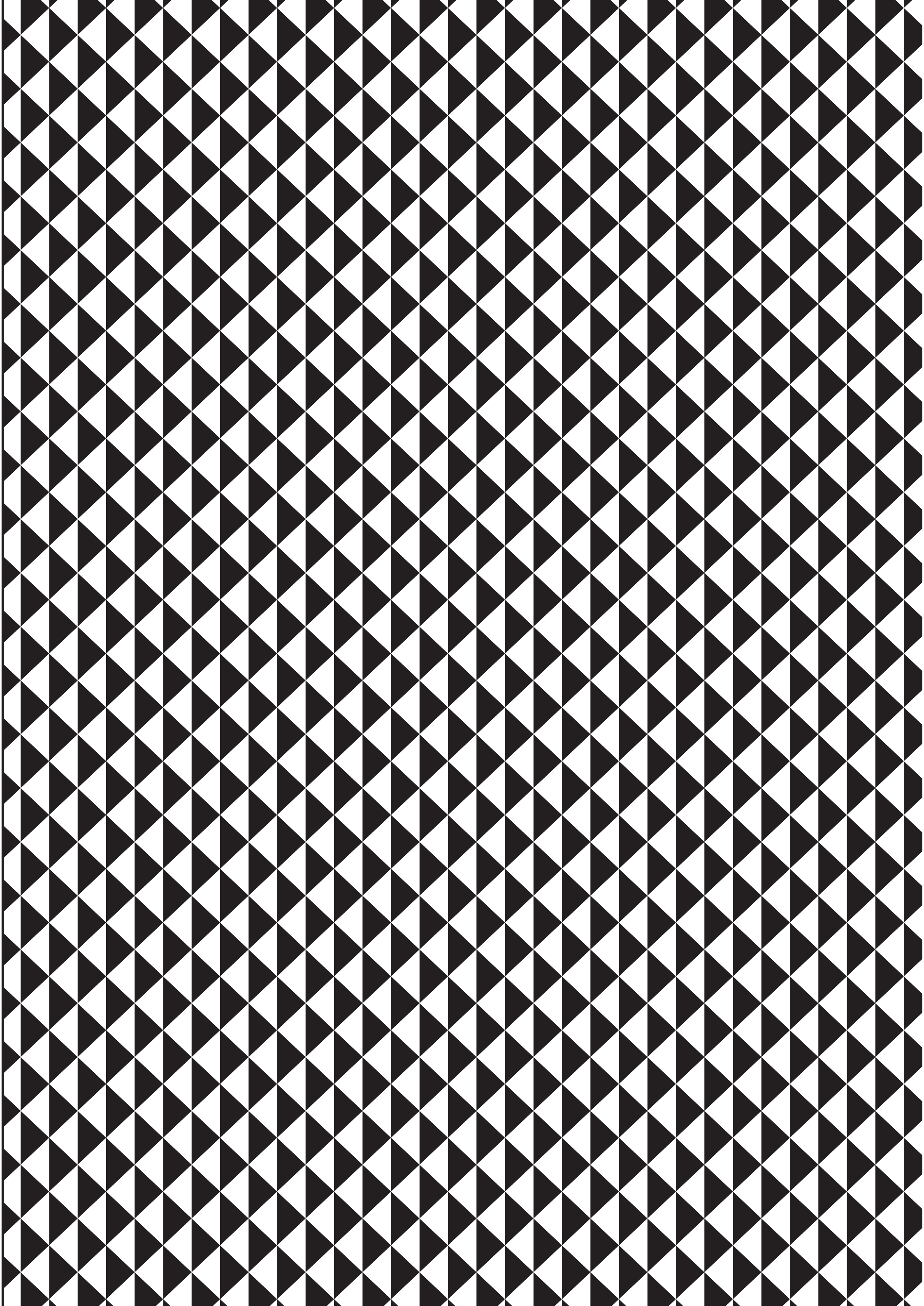
- Create integrated educational policies that link formal and informal education

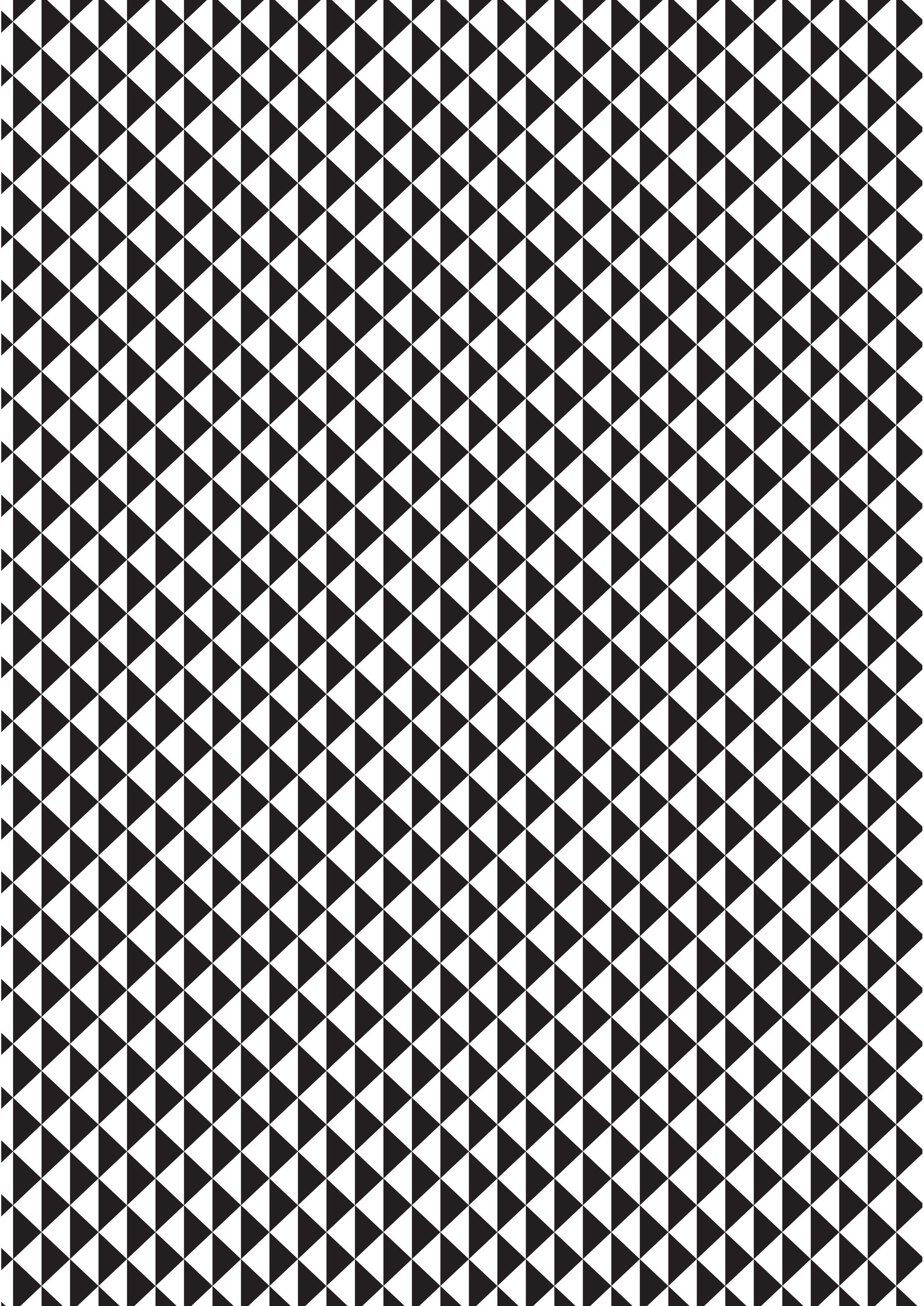
[6] In this sense we are interested in a scheme that operates in the UK, which gives a tax break to companies involved in R and D: "Under the new rules, a company which runs a dedicated R&D scheme can claim up to 200% relief on corporation tax for any money they spend on the project; essentially, this means the company will pay no tax on the cost of its programme, and receive an additional 100% corporation tax discount. The amount of relief will rise to 225% in 2012." http://www.startups.co.uk/randd-tax-credits-explained.html. In Ireland there are also RnD and Start Ups tax breaks (for companies and investors respectively) http://www.enterprise-ireland.com/en/Start-a-Business-in-Ireland/Startups-from-Outside-Ireland/Funding-and-Supports-for-Start-Ups-In-Ireland/Funding-and-Supports-for-Start-Ups-in-Ireland.html

- Provide resources to individuals who are not part of a formal educational establishment, at no cost to the end user
- Provide resources for local and small businesses to acquire expertise in digital fabrication
- Link cultural and digital fabrication policies and activities, particularly through funding instruments at the local level

Policy Recommendations (AND publishing)

- Harmonization of copyright exceptions and limitations at the EU level
- Introduction of art-specific copyright limitations and exceptions
- Introduction of a fair use-like regime in Europe
- Clarification and expansion of limitations and exceptions at the EU level.





7. Final Recommendations

Free Culture can provide an extraordinary stimulus to cultural innovation, and it creates and energises emerging cultural markets. The obstacles that inhibit its proper development should be removed. After the detailed analysis of the different areas and cases in the previous sections, we conclude by suggesting a set of policy recommendations. These should help free culture entrepreneurs to develop their economic activity in a context that enables them to grow. It should also allow communities to exchange information and collaborate without public interference. Creators should be able to define sustainable economic models and avoid previous predatory models. Free Culture is all about sustainability and not about monopolies and accumulation. The main goal is to produce culture and make it meaningful for communities, and to find ways to fund this production while avoiding the mistakes made by the cultural industries.

It should be noted that these recommendations draw on previous work and documents generated by civil society and intended to empower citizens socially, politically and culturally, such as the “Charter for Creativity and Access to Knowledge” and “Sustainable Models for Creativity in the Digital Age”. The recommendations that follow not only aim to contribute to creating better conditions for free culture entrepreneurs to flourish and succeed, but also to guarantee that society as a whole can benefit from its cultural heritage and knowledge.

1) The open access model used for scientific information should be adapted and applied to publicly funded culture as far as possible. The default position should be that public money produces public goods that can be reused and shared by different communities. Exceptions should be justified in a transparent manner.

2) Network Neutrality is vital for cultural diversity and for emerging businesses that operate with low overhead costs, and it needs to be preserved. The lack of network neutrality would lead to unfair advantages for incumbents.

3) CMOs need to be reformed so as to support, rather than restrict, Free Culture: they need to enable new business models to operate with small overhead costs and to support the use of open licenses (for example, Creative Commons licenses) by their members. These should cover works that operate under commercial licences and should never restrict or limit the possibilities of works that have chosen to operate according to non-commercial models. There is a growing tendency to integrate non-commercial works and, by doing so, to devalue them and use them as de facto commercial works. This tendency is in conflict with the interests of free culture and free culture entrepreneurs.

4) Crowdfunding constitutes a new kind of market for cultural goods in which IP rights play a lesser (economic) role. It cannot and should never replace public funding for culture.

5) The regulatory framework regarding crowdfunding needs to be clarified in order to remove uncertainty. For projects that contribute to the public good, donations should be tax-deductible and social

returns should be taken into account. For commercial projects, the rights and responsibilities of “micro-shareholders” need to be defined and strengthened.

6) Indicators to measure social returns, that is, the positive social, cultural and ecological effects stemming from free culture, need to be developed, implemented and taken into account in long-term evaluations.

7) Copyright exemptions should be expanded in exchange for adequate, standardized compensation for right holders. The main goals should be to promote free access and the creative reuse of works, and to boost the accessibility of works through memory institutions and communities of interest.

8) A wider rebalancing of copyright legislation should reconsider the excessive duration of copyright terms, which is currently blocking the capacity of memory institutions to deliver public benefits, and hindering cultural producers and mediators in the exploration of new market opportunities.

9) Innovative models for new uses of digital cultural heritage resources need to take into account the distinction between public tasks and market opportunities. Mixing up these roles limits the capacity of memory institutions to deliver public benefits, and creates unfair competition for the pursuit of market opportunities. Delivering public benefits for market players and for the general public requires adequate public funding.

10) The Free Culture movement is developing new types of cultural institutions (Free Culture spaces) which revolve around the cooperative creation of culture. These institutions need to be respected and protected in the same way as other cultural infrastructures and institutions.

11) There is a need to create and disseminate information about funding resources for small or informal associations. National Contact Points and Information Days should address entrepreneurs seeking to form legal entities aimed at social rather than pure financial returns.

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